

County of Essex 2024 Compensation Review for Elected Officials

Summary Report

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Background and Objective

- Compensation for Elected Officials at the County of Essex was reviewed in 2023.
 - Base pay is adjusted biannually; every 2 years of Council's four-year term of office
 - Base pay for the Warden is 2x the average of the seven municipal Mayor base pay rates; the Deputy Warden's base pay rate is .5x the average of the seven Deputy Mayor base pay rates; and the Councillor's base pay rate is .5x the average of the seven Councillor base pay rates.
- The primary objective of the 2024 Council Compensation Study was to conduct a review of base pay and other compensation elements for the Mayor, Deputy Mayor and Councillor positions, and to review the pay practice of establishing and updating base pay remuneration.
- The Consultant reviewed municipal comparator information collected by County of Essex Staff and prepared a Base Pay Market Summary for the Warden, Deputy Warden and Councillor positions using percentile targets.
- The recommendations in this report are prepared for Council's consideration.

Current Remuneration and Pay Practice

- 2024 Annual base pay rates:
 - Warden: \$92,987; Deputy Warden: \$16,164; Councillor: \$13,212
- \$110.77 meeting per diems are provided for participation on external Agencies, Boards and Committees; \$166.16 meeting per diems are provided for the Chair
- Per diems of \$175/day are paid for attendance at conferences and workshops
- \$75/day meal allowance is provided
- The Warden is eligible for enrollment in the County's health, dental and extended health benefits program (premiums paid by the County), provided the Warden is not receiving benefits from another employer or local municipality
- No participation in the OMERS pension plan or an RRSP
- Kilometrage expense reimbursement at current CRA rates (\$.70/km)
- Council members are provided a laptop for use at Council meetings (in Council Chamber); the Warden is provided a tablet
- Cell phone is available for the Warden (not currently utilized)
- No reimbursement for Internet or cell phone service

Executive Summary

- 2024 Base Pay for County of Essex Elected Officials is as follows:
 - Warden: \$92,987; Deputy Warden: \$16,164; Councillor: \$13,212
- The 2024 base pay remuneration for the Warden is competitive and slightly above the defined pay market (60th percentile). Base pay remuneration for the Deputy Warden and Councillors is well below the competitive pay market. This is attributed to the method used to determine base pay rates for Elected Officials at the County.
- Other elements of compensation are generally competitive

Market Competitiveness—Methodology and Source Data

- The market comparator group was selected having regard to the comparator group that was used in the 2023 Staff Compensation study; 10 comparators were identified.
- A custom survey was prepared using the following comparator municipal organizations:
 - County of Elgin, County of Lambton, County of Middlesex, County of Lennox and Addington, County of Wellington, County of Oxford, County of Huron, County of Simcoe, County of Grey, Region of Halton
- The comparator group was selected having regard to relevant scope/criteria:
 - Geographic location
 - Similar service alignment/”like” services
 - Size (i.e., population/operating budget)
- The County of Essex is relatively placed within the comparator group having regard to size indicators (i.e., operating expenditures, population, size of Council)
- Pay practice for establishing base pay rates for Elected Officials in the seven local area municipalities was also considered.

Market Observations—Base Pay

- Base pay compensation for Warden, Deputy Warden and Councillor positions was reviewed and compared to the defined pay market using 2024 base pay rates.
- Base pay comparative statistics are shown in the Market Summary using the Median (50th percentile), 55th, 60th and 65th percentile targets. The “% Difference” shown beside each percentile value is the amount that the current base pay rate for County of Essex Elected Official positions is above or below the market target percentile value.

County of Essex Council Compensation

2024 Base Pay Market Summary

	2024 Base Pay Rate Annual	2024 MARKET SUMMARY - ANNUAL BASE PAY RATE (+_% = below market)									
		No. of Obs.	Market Median Annual	% Diff.	Market P55 Annual	% Diff.	Market P60 Annual	% Diff.	Market P65 Annual	% Diff.	
Warden	\$92,987	10	\$87,309	(6.1%)	\$88,521	(4.8%)	\$90,203	(3.0%)	\$93,328	+0.4%	
Deputy Warden	\$16,164	6	\$36,462	+125.6%	\$38,546	+138.5%	\$40,938	+153.3%	\$43,560	+169.5%	
Councillor	\$13,212	10	\$27,821	+110.6%	\$28,302	+114.2%	\$31,302	+136.9%	\$33,763	+155.5%	

Market Observations—Base Pay Cont'd (1)

- For the majority of comparators, base pay compensates for Council meetings, committee meetings and special meetings of Council; 3 comparators report that additional meeting per diems are provided for Council/Committee of Council meetings.
- All comparators provide an annual adjustment to base pay; and 8 report that the adjustment is aligned with management/non-union grid increase; 6 of the 7 area municipalities report that base pay is adjusted annually (aligned with the Management/Non-union COLA).
- Prevailing practice in the sector is to periodically review base pay rates using a custom market survey and to establish a percentile pay target; in many cases the pay target is aligned with the pay target established for Management/Non-union positions.
- 3 comparators report a 50th percentile pay target; 5 of the 7 area municipalities report percentile targets ranging from the 60th to 75th percentile.
- The County's Management/Non-union compensation program establishes job rates at the 60th percentile pay target.
 - the 60th percentile target is the \$ Rate where 60% of the wage rates in comparator organizations are below this amount, and 40% are above.

Market Observations—Base Pay Cont'd (2)

- Base pay rates for the Warden is slightly above the 60th percentile positions and is competitive; the base pay rates for the Deputy Warden and Councillor positions are well below the 60th percentile.
- Market comparison for County of Essex Elected Official positions based on the 60th percentile is as follows:
 - ▶ The market rate for the Warden is \$90,203.
 - ▶ The market rate for the Deputy Warden is \$40,938.
 - ▶ The market rate for Councillor is \$31,302.

Market Observations—Other remuneration and pay practice

- 2 comparators report participation in OMERS plan; none of the comparators provide RRSP contributions.
- 3 comparators report that benefits are provided to all members; 1 comparator reports that benefits are provided to the Chair; 1 reports that benefits are provided to Councillors.
- 5 comparators provide an iPad/laptop to all members; 1 comparator provides an iPad/laptop to the Chair only.
- 3 comparators provide a cell phone to all members; 3 comparators provide a cell phone to the Chair/Warden.
- 3 comparators provide a monthly office allowance/technology allowance (\$25, \$50, \$80)
- 9 comparators report that kilometrage is reimbursed (\$.58 to \$.70); 1 comparator provides a car for the Chair
- 6 comparators provide meal allowances ranging from \$60 to \$110 daily; 1 comparator provides \$125/day for the Warden; 2 comparators report that reimbursement is provided with receipts
- 4 comparators report per diems are provided for conference attendance, ranging from \$118 to \$171/half day; \$217 to \$301 full day.

Conclusions

- The comparator group is representative based on select criteria.
- The method of establishing base pay rates for the County Elected Official positions has resulted in market disparity for the Deputy Warden and Councillor positions.
- Prevailing practice in established base pay rates is to periodically conduct a market review of comparator organizations, establish a percentile target for base pay and provide annual adjustments, aligned with the Management/non-union pay practice. This allows for a year over year increase to align with cost-of-living increases; also supported by the survey results.
- The 60th percentile target (P60) is a reasonable pay target for base pay for the County Elected Official positions having regard to the comparator group and the market target for County Management/non-union positions.
- The 2024 base pay remuneration for the Mayor is competitive to the defined pay market; base pay remuneration for the Deputy Warden and Councillor positions is low and requires adjustment.
- Other elements of remuneration are generally comparable.
- It is best practice to review compensation once during the term of Council using a survey of comparator municipalities.

Recommendations

60th Percentile Pay Target

- It is recommended that Council adopt the 60th percentile pay target for County Elected Official positions, effective January 1, 2024

2024 Base Pay Adjustments

- It is recommended that the base pay rate for the Warden remain at \$92,987
- It is recommended that current base pay rates for the Deputy Mayor and Councillors be adjusted to:
 - Deputy Warden: \$40,938
 - Councillor: \$31,302

Annual Adjustments:

- It is recommended that Council adjust base pay for the Elected Official positions annually by using the % adjustment provided for the Management/non-union Salary Grid.

Review Period:

- It is recommended that an external review be conducted once every four years using a Consultant and comparator survey data; the next review being during the next term of Council.