



## **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, June 05, 2024

**Subject:** Council Remuneration

**Report #:** 2024-0605-CAO-R09-SZ

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#### **Purpose**

To provide County Council with the results of a third-party market study of Council remuneration and recommend increases to the remuneration program for members of County Council.

#### **Background**

According to Section 283 (7) of the *Municipal Act, 2001*, all municipal Councils have a responsibility to periodically review the remuneration provided to their members.

The County of Essex currently pays remuneration to County Council members based on a formula established by a citizens' committee dating back to 2008. County Council salaries are calculated by averaging the remuneration paid to members in the seven local municipalities and then applying a factor to recognize level of effort. This calculation is updated at the beginning and mid-point of every term of council.

During the December 6, 2023 County Council meeting, concerns were raised about the relevance and competitiveness of the existing remuneration formula. Subsequently, at the December 20, 2023 meeting, Council approved a recommendation to move forward with a Council Remuneration Study in early 2024.

The table on the next page provides the base pay remuneration paid to members of County Council over the past five years.

Note: This table originally contained a typographical error in the June 5<sup>th</sup> agenda. This version is correct.KH

Position	2019	2020	2021	2022	2023
<b>Warden</b>	\$86,396.16	\$86,396.16	\$87,891.67	\$87,891.67	\$92,896.86
<b>Deputy Warden</b>	\$14,987.56	\$14,987.56	\$15,274.45	\$15,274.45	\$16,163.54
<b>Councillor</b>	\$12,237.34	\$12,237.34	\$12,482.49	\$12,482.49	\$13,211.65
<b>Meeting Per Diem</b>	\$108.91	\$108.91	\$109.86	\$109.86	\$55.39
<b>Add'l for Chair</b>	\$54.46	\$54.46	\$54.93	\$54.93	\$55.39
<b>Chair Per Diem</b>	\$163.37	\$163.37	\$164.79	\$164.79	\$166.16

Attached as **Appendix A** is the County Council Remuneration Summary 2007-2023.

## Discussion

In late January 2024, ML Consulting was engaged to undertake a market study of Council remuneration.

In collaboration with the consultant, Marianne Love, Administration identified comparator municipalities and began the data compilation process. Subsequent meetings were held with the consultant to validate information and formulate recommendations for County Council to consider.

Attached to this report as **Appendix B** is the final presentation and recommendations from ML Consulting.

## Key Recommendations of the Study

### Grid Percentile Increase to P60

At its meeting held April 3, 2024, County Council approved movement of the non-union compensation grid from its current 50<sup>th</sup> percentile level to the recommended 60<sup>th</sup> percentile. In keeping with this compensation framework and in recognition of the percentile target paid to the comparator group, the study recommends increasing County Council remuneration to the 60<sup>th</sup> percentile. Similar to the non-union employee group, retroactive adjustment is recommended to January 1, 2024.

## **Frequency of Review and Mechanism for Annual Updating**

Ensuring Council remuneration remains competitive and commensurate with the level of work and responsibility involved is an important tool in the engagement of elected County officials. It is recommended that an independent market study be performed once every four years to coincide with each term of council. On an annual basis, it is recommended that Council remuneration be adjusted by the same inflationary percentage awarded to the non-union employee group.

## **Agency, Board and Committee (ABC) Pay**

Representation on various agencies, boards and committees are determined through a Striking Committee at the start of every council term. The Striking Committee makes appointments for the duration of the four-year term with reference to preferences submitted by individual council members. The comparator group contained variation in both the amount and occurrence of ABC pay. In the absence of compelling evidence to adjust the existing ABC pay rate of \$110.77/meeting, it is recommended that ABC pay rates remain unchanged at this time. This structure also applies to alternate members of council who attend council meetings in the absence of a Mayor or Deputy Mayor. It is further recommended that should ABC pay rates be recommended for increase, that the rate not take effect until the start of the next term of council when new appointments are made.

## **Other Benefits**

Base pay represents the primary means of compensating council members. In the absence of compelling evidence, it is not recommended to adjust other benefits at this time. It is further recommended that should other benefits be recommended for increase, that increases not take effect until the start of the next term of council.

## **Implication to Existing Procedure Bylaw**

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Council remuneration has historically been established within the Corporation's Procedure Bylaw. This practice is unique and not common practice among other municipalities. For transparency and ease of annual review and updating, Administration recommends removing all language relating to council remuneration from the Procedure Bylaw and establishing a new, independent bylaw governing council and committee remuneration.

Attached as **Appendix C** is the recommended Council and Committee Remuneration Policy.

## Financial Implications

The proposed Base Pay Grid is as follows:

	2024
<b>Warden</b>	\$ 92,987
<b>Deputy Warden</b>	\$ 40,938
<b>Councillor</b>	\$31,302
<b>Meeting Per Diem</b>	\$110.77
<b>Additional for Chair</b>	\$55.39
<b>Chair Per Diem</b>	\$166.16

A January 1, 2024 retroactive application of the updated pay grid will generate a budget shortfall of \$292,056. In keeping with the practice of funding unbudgeted wage increases resulting from all other union contract negotiations, the Rate Stabilization Reserve is recommended to be drawn upon to fund this deficit in 2024. Future budgets will reflect the updated compensation framework for County Council.

## Consultations

Marianne Love, ML Consulting

## Recommendation

That County Council receive report 2024-0605-CAO-R09-SZ – Council Remuneration for information;

That County Council approve the 60<sup>th</sup> Percentile Compensation Grid for County Council, retroactive to January 1, 2024;

That County Council approve the funding of the 2024 budget shortfall of \$292,056 from the Rate Stabilization Reserve; and

That County Council adopt By-law 2024-26 (Procedure By-law) and 2024-27 (Council Remuneration By-law).

## Approvals

Respectfully Submitted,

*Sandra Zwiers*

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

<b>Appendix</b>	<b>Title</b>
<b>A</b>	County Council Remuneration Summary 2007-2023
<b>B</b>	2024 County of Essex Council Compensation Review-Summary Report from ML Consulting
<b>C</b>	2024-005 Council and Committee Remuneration Policy (Attached to By-law 2024-27 as part of the June 5, 2024 Agenda Package)