



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	50 th 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.

