



Staff Report for Budget Committee of the Whole Meeting

Date of Meeting: January 28, 2020

Report Number: SRCFS.20.003

Department: Corporate and Financial Services

Division: Office of the Clerk

Subject: **SRCFS.20.003 – Member of Council
Compensation**

Purpose:

To provide alternatives for determining the remuneration paid to Members of Council as directed by Council at its meeting on December 18, 2019.

Recommendation(s):

- a) That staff report SRCFS.20.003 be received.

Contact Person:

Stephen M.A. Huycke, Director, Legislative Services/City Clerk, ext. 2529

Sherry Adams, Director, Human Resources, ext. 2521

Report Approval:

Submitted by: Mary-Anne Dempster, Commissioner of Corporate and Financial Services

Approved by: Neil Garbe, City Manager

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner and City Manager. Details of the reports approval are attached.

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Background:

Council adopted the following Member Motion at its meeting on December 18, 2019:

“Whereas the method by which Council compensation is determined has not been reviewed since 1998; and

Whereas new methods and techniques to review compensation may have emerged;

Now therefore be it resolved that staff be directed to report back with alternatives for determining Council compensation for consideration at the next Budget Committee of the Whole meeting on January 28, 2020.”

Under the *Municipal Act, 2001*, the City pays Members of Council the compensation (salary and benefits) approved by Council. Since at least 1998, Council’s practice has been to determine Member’s compensation based on recommendations of a Council Compensation Review Committee (“CCRC”). The CCRC Terms of Reference (Attachment A) require the City Clerk, Director of Human Resources and Treasurer to establish a committee in the year prior to the start of a new Term of Council. The committee is responsible for reviewing all the issues regarding Council compensation and preparing a report and recommendations for Council’s consideration. Council can choose to accept or amend any of the Committee’s recommendations. A copy of the Committee’s most recent report is included as Attachment B. Council has adopted the last three committee’s recommendations without amendment (for 2010, 2014 and 2018).

The recruitment, meeting facilitation and collection of information for the CCRC requires significant staff time and effort. The three most recent committees have made similar salary recommendations, which were that Members’ salaries be adjusted to the same annual rate approved by Council for non-union administrative staff. These committee’s did not recommend any changes to the base rates of pay.

As a result of job evaluations there is compression between the salaries paid to Council support staff and the Regional and Ward Councillors. Councillors’ support staff are in roles evaluated at administrative salary Grades 3 and 4. Councillors’ salaries are currently within the range of Steps 1 and 2 of Grade 5. Generally, there should be a minimum 10% deferential in the salaries paid to someone in a supervisory role, which is not the case with current Councillor salaries.

Current Council Compensation

All Members of Council currently receive compensation comprised of an annual salary and benefits. The Mayor and Regional and Local Councillors receive an additional salary paid for by York Region.

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	Mayor	Regional and Local Councillor	Ward Councillor
City Salary	\$ 132,589	\$ 79,552	\$ 79,552
Regional Salary (April 1, 2019 rate)	\$ 58,168	\$ 58,168	Not applicable
Total Salary	\$ 190,757	\$ 137,720	\$ 79,552

In addition to salary paid, Members of Council receive various benefits such as pension contributions, extended health and dental care, and life insurance.

Comparable Council Compensation

The base salaries paid to full-time Members of Council in lower tier GTA municipalities with a 2016 Census population greater than 100,000 are noted in the below table. The salary amounts do not include any salary paid for service on a Regional Council, or any additional salary paid for appointment as chairs, vice-chairs or membership on committees and boards.

Municipality	Region	Population (2016 Census)	Mayor's Salary	Regional Councillor Salary	Local Councillor Salary
Richmond Hill	York	195,022	\$ 132,589	\$ 79,552	\$ 79,522
Markham	York	328,966	\$ 141,923	\$ 80,217 ¹	\$ 80,217
Vaughan	York	306,233	<u>\$ 130,870</u>	<u>\$ 89,805</u>	<u>\$ 81,640</u>
<i>Average Salary Markham and Vaughan</i>			<i>\$ 136,397</i>	<i>\$ 85,011</i>	<i>\$ 80,929</i>
Brampton	Peel	593,638	\$ 141,813	\$ 90,123	\$ 90,123
Mississauga	Peel	713,443	<u>\$ 139,374</u>	<u>\$ 88,220</u>	All Councillors are Regional Councillors
<i>Average Salary in Peel Region</i>			<i>\$ 140,594</i>	<i>\$ 89,172</i>	<i>\$ 90,123</i>
Burlington	Halton	183,314	\$ 127,231	\$ 55,519	\$ 55,519
Average Salary in GTA			\$ 134,740	\$ 76,567	\$ 74,889
<u>Notes</u>					
1. The Deputy Mayor (Regional Councillor with the highest votes) receives an additional \$8,022					
2. Durham Region (Ajax, Oshawa and Whitby) have been excluded due to the fact that their Members of Council self-determine their full-time status. The average Mayor's salary in these municipalities is \$83,912. The average Councillor's salary is \$33,793.					

The method of determining Council salaries in these municipalities vary significantly. Some, such as Oakville, generally approve Council salaries based on the average salaries paid to appropriate comparators. Markham and Brampton have used a committee to make recommendations similar to Richmond Hill's current practice. Similar

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to Richmond Hill, many municipalities provide annual adjustments to Members' salaries based on the increases provided to staff.

Option 1 – Align Council Salaries to Administrative Staff salaries based on current annual rates

As an alternative to using a Council Compensation Review Committee, Council may choose to set their salaries by aligning them to Step 5 of the Grade band on the administrative employee salary schedule that includes their current salary amount. A copy of the 2020 Administrative Employee Salary Schedule is included as Attachment C.

The Mayor's current annual salary is \$ 132,589, which falls within the range of salaries paid to administrative staff in Grade 8.

	Step				
Grade	1	2	3	4	5
8	\$ 122,817	\$ 127,458	\$ 132,274	\$ 137,274	\$ 142,459

The annual salary paid to administrative employees in Step 5 of Grade 8 is \$142,459. Setting the Mayor's salary to Grade 8, Step 5 will result in an increase to the Mayor's 2020 annual salary in the amount of \$9,870.

Councillors' current annual salary is \$79,552, which falls within the range of salaries paid to administrative staff in Grade 5.

	Step				
Grade	1	2	3	4	5
5	\$ 78,710	\$ 81,063	\$ 83,571	\$ 86,599	\$ 89,741

The annual salary paid to administrative employees in Step 5 of Grade 5 is \$89,741. Setting the Councillors to salary to Grade 5, Step 5 will result in an increase to each Councillor's 2020 annual salary in the amount of \$10,189.

A benefit of Option 1 is that Members' will automatically increase by the same annual increases that Council approves for administrative staff as previously recommended by the last three committees. It will also remove the administrative challenges associated with the committee approval system.

Council may choose to adopt this option by approving the following resolution:

Option 1 – Resolution

1. That staff report SRCFS.20.003 be received
2. That the annual remuneration paid to the Mayor be equal to the annual salary paid to non-union administrative staff in Step 5 of Salary Grade 8 effective January 1, 2020.

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3. That the annual remuneration paid to Regional and Local Councillors and Ward Councillors be equal to the annual salary paid to non-union administrative staff in Step 5 or Salary Grade 5 effective January 1, 2020.
4. That the current benefits provided to the Mayor and Members of Council be maintained.
5. That the 2020 Operating Budget include any necessary adjustments.

Option 2 – Align Council Compensation to Administrative Staff rates based on Member of Council responsibilities

As an alternative, Council may choose to set their salaries based on administrative employees with similar responsibilities. All Members of Council are responsible for the management of their office including budgets and at least one employee. Members are also responsible for decisions making by voting on recommendations at Council meetings, as well as determining and implementing communication strategies related to their elected office. The Mayor has additional responsibilities set out in the section 225 of the *Municipal Act, 2001*, (the “Act”), including acting as the chief executive of the municipality.

It is not possible to find exact comparators among administrative staff roles. For example, while staff roles often require specific minimum qualifications such as education, licenses and work experiences, Members of Council are required to meet the legislative requirements related to an elected office. However, in terms of the scope of responsibilities noted above, the Mayor’s role is comparable to that of positions in Grade 8 and Councillors are comparable to supervisor positions in Grade 6 or project manager positions in Grade 7. The salary schedule for each of these grades are as follows:

Grade	Step				
	1	2	3	4	5
6	\$ 93,408	\$ 96,937	\$ 100,601	\$ 104,402	\$ 108,346
7	\$ 106,752	\$ 110,787	\$ 114,971	\$ 119,317	\$ 123,826
8	\$ 122,817	\$ 127,458	\$ 132,274	\$ 137,274	\$ 142,459

Council may choose to set their annual salary to one of these salary grades and steps.

Similar to Option 1, the benefit of this approach is that Council salaries will, as previously recommended by the last three council compensation review committees, automatically increase by the same annual increase that Council approves for administrative staff. It will also remove the administrative challenges associated with the committee approval system.

Council may choose to adopt this option by approving the following resolution:

Option 2 – Resolution

1. That staff report SRCFS.20.003 be received

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2. That the annual remuneration paid to the Mayor, effective January 1, 2020, be the same as the annual salary paid to non-union administrative staff in Step ____ of Salary Grade 8.
3. That the annual remuneration paid to Regional and Local Councillors and Ward Councillors, effective January 1, 2020, be the same as the annual salary paid to non-union administrative staff in in Step ____ of Salary Grade ____.
4. That the current benefits provided to the Mayor and Members of Council be maintained.
5. That the 2020 Operating Budget include any necessary adjustments.

Option 3 – Align Council Salaries to the average amounts paid to Members of Council in Markham and Vaughan

As a third alternative, Council may choose to set their salaries based on the average of those paid to Members of Council in Vaughan and Markham, with annual adjustments paid to administrative employees.

The average salary paid to the Mayors of Markham and Vaughan is \$136,397, or \$3,808 greater than the amount currently paid to Richmond Hill's Mayor. The average salary paid to Councillors in the Markham and Vaughan is \$85,011, or \$3,418 greater than the amount currently paid to the current pay for Richmond Hill Councillors.

The benefit of this approach is that it ensures that Richmond Hill's Members of Council are compensated within the range of comparable salaries. However, staff will be required to routinely monitor and report on any changes to the selected comparators.

Council may choose to adopt this option by approving one of the following resolutions:

Option 3– Resolution

1. That staff report SRCFS.20.003 be received
2. That the annual remuneration paid to the Mayor, effective January 1, 2020, be \$136,397, with annual increases to this amount being the same as the annual increases approved for the administrative employee group.
3. That the annual remuneration paid to Regional and Local Councillors and Ward Councillors, effective January 1, 2020, be \$85,011, with annual increases to this amount being the same as the annual increases approved for the administrative employee group.
4. That the current benefits provided to the Mayor and Members of Council be maintained.
5. That the 2020 Operating Budget include any necessary adjustments.
6. That staff be directed to monitor the annual salaries paid to full-time Members of Council in Markham and Vaughan, and report back to Council on any significant variances.

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Financial/Staffing/Other Implications:

The draft 2020 Operating Budget for Mayor and Council salary and benefits is \$985,700 (excluding Regional salaries and benefits).

Option 1

If Council chooses Option 1, the 2020 Operating Budget for Mayor and Council salaries and benefits will increase by approximately \$117,000.

Option 2

If Council Selects Option 2, the 2020 Budget for Mayor and Council salaries and benefits will increase by a range of approximately \$191,000 to \$466,000, based on the following:

Option	Grade and Step by Office	Budget Increase (Salary & Benefits)
2(a)	Mayor – Grade 8, Step 5	\$ 191,000
	Councillors – Grade 6, Step 2	
2(b)	Mayor – Grade 8, Step 5	\$ 466,000
	Councillors – Grade 7, Step 5	

Option 3

If Council chooses Option 3, the 2020 Operating Budget for Mayor and Council salaries and benefits will increase by approximately \$60,800.

Relationship to the Strategic Plan:

The matter of Council compensation is not directly related to the Strategic Plan.

Conclusion:

As directed by Council on December 18, 2019, staff are providing options alternatives for determining Council compensation.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format please call the contact person listed in this document.

- Attachment A – Council Compensation Review Committee (CCRC) Terms of Reference
- Attachment B – CCRC Final Report – February 26, 2018.
- Attachment C – Administrative Employee 2020 Salary Schedule

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Report Approval Details

Document Title:	SRCFS.20.003 - Member of Council Compensation.docx
Attachments:	- Attachment A - SRCFS.20.003 - CCRC Terms of Reference.pdf - Attachment B - SRCFS.20.003 - CCRC - Final Report February 26 2018.pdf - Attachment C - SRCFS.20.003 - Administrative Employee Salary Schedule 2020.pdf
Final Approval Date:	Jan 23, 2020

This report and all of its attachments were approved and signed as outlined below:

No Signature found

Sherry Adams - Jan 23, 2020 - 8:24 AM

David Dexter - Jan 23, 2020 - 9:04 AM

MaryAnne Dempster - Jan 23, 2020 - 9:11 AM

Neil Garbe - Jan 23, 2020 - 3:03 PM