



## **Staff Report for Council Meeting**

**Date of Meeting:** September 13, 2021

**Report Number:** SRCFS.21.039

**Department:** Corporate and Financial Services

**Division:** Office of the Clerk

**Subject:** **SRCFS.21.039 –Council Compensation Review Committee (2022 to 2026 Term of Council)**

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### **Purpose:**

To advise Council of the inability to recruit a Council Compensation Review Committee for the 2022 to 2026 Term of Council, and recommend options to address compensation for Members of Council for the 2022 to 2026 Term of Council.

### **Recommendation(s):**

- a) That staff report SRCFS.21.039 be received.
- b) That Council provide direction on options to set the Council compensation for the 2022 to 2026 Term of Council.

### **Contact Person:**

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

### **Report Approval:**

**Submitted by:** Sherry Adams, Commissioner of Corporate and Financial Services

**Approved by:** Mary-Anne Dempster, 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:

For many years, Council has used the advice of a Council Compensation Review Committee (CCRC) to determine the remuneration and benefits payable to Members of Council in the next term of office. A copy of the CCRC Terms of Reference is attached as Attachment A.

The Terms of Reference for the CCRC require that:

- The committee be formed in the year immediately prior to a regular election year (e.g. in 2021 for the term of Council that begins on November 15, 2022)
- The committee be comprised of five (5) citizens members, two (2) of whom are business representatives from within the business community.
- The committee be selected by the City Clerk, Director of Human Resources and Commissioner of Corporate and Financial Services.

Once established, the committee normally reviews multiple aspects of the remuneration and benefits paid to Members of Council, including comparisons with the remuneration and benefits paid in other municipalities. Over several meetings held in the year prior to the regular election year, and early in the year of the regular election, the committee develops a report and recommendations to Council to set the pay for the next term. A copy of the previous committee's final report is attached as Attachment B.

In keeping with City practice, staff began advertising for appointment to the CCRC on April 15, 2021. Advertisements were placed on the City's website and promoted on the City's social media feeds. The initial application period was April 15, 2021 to April 28, 2021. During this period the City received only one (1) application. As a result, a new application period commenced on May 6, 2021 with an initial closing date of June 16, 2021. During this period the recruitment was further promoted by directly contacting the Richmond Hill Board of Trade and Village of Richmond Hill Business Improvement Area. Only one (1) additional application was received, and the application period was further extended to June 23, 2021. Despite the extensions and outreach a total of only two (2) applications were received. Five citizen members are required to form the committee. It should be noted that in 2017 the City only received five (5) applications for appointment to the CCRC.

Due to the inability to establish a CCRC in the spring of 2021, staff do not believe that there is sufficient time to continue recruiting a committee, have the committee collect and analyze information and prepare a final report for Council early in 2022. Assuming that a committee could be recruited staff estimate that the earliest a report could be generated would be the end of June or beginning of July 2022. This is during the election period as Nominations open on May 2, 2022. As a result of the challenges with establishing a CCRC for the 2022 to 2026 Term of Council, Council direction is required.

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### **Option 1 – Set the 2022 to 2026 Council Compensation based on the 2018 to 2022 recommendations**

Council could choose to adopt the 2018 to 2022 CCRC recommendations on Council compensation for the next term of Council. The benefit of this is that the 2022 to 2026 Council compensation would be based on similar recommendations as the last three committees. The 2010, 2014 and 2108 committees all recommended that the salaries of Council be increased annually by the same amount as non-unionized staff. The 2018 to 2022 CCRC made the following recommendations:

1. That increases in compensation for members of the Town of Richmond Hill Council for the 2018 to 2022 Term of Council should be aligned with increases provided to non-unionized Town Staff, including an increase of 1.75% effective January 1, 2019, with an annual cap of up to 2.25% in subsequent years (effective date of the increases - January 1, 2020 through January 1, 2022), subject to adoption of clause 2 in these recommendations.
2. That the current benefits provided to members of the Town of Richmond Hill Council be maintained with the following adjustments:
  - a) That payments to members of the Town of Richmond Hill Council under the Long-Term Disability benefit plan end on the earlier of the Member reaching 65 years of age or 5 years from when payments began.

The 2014 to 2018 committee made a similar recommendation:

1. Increases in compensation for members of the Town of Richmond Hill Council should be aligned with increases provided to non-unionized Town Staff with an annual cap of 2.5% in the first year of the 4 year elected term commencing in 2014, (effective date of the increase to be January 1, 2015) and up to 3.0% in subsequent years (effective date of the increases - January 1, 2016 through January 1, 2018).

The 2010 to 2014 committee recommendation was:

1. That increases in compensation for members of the Town of Richmond Hill Council be aligned with increases approved for Town administrative staff to a maximum of three (3) percent per annum for the term of office from December 1, 2010 to November 30, 2014;

Council could choose to apply the same rule to the compensation for the 2022 to 2026 Term of Council by adopting the below recommendations.

### **Option 1 - Recommendation**

- a) That increases in compensation for members of the City of Richmond Hill Council for the 2022 to 2026 Term of Council should be aligned with increases provided to non-unionized City Staff, including an increase of 1.70% effective January 1, 2023, with an annual cap of up to 2.25% in subsequent years (effective date of the increases - January 1, 2024 through January 1, 2026).

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- b) That the current benefits provided to members of the City of Richmond Hill Council be maintained.

**Option 2 – Align Council Compensation to Admin Staff Rates of Pay**

As noted above, staff have had challenges recruiting a CCRC in the past two Terms of Council. Due to challenges with recruiting a CCRC, Council could choose to eliminate the CCRC and align the remuneration paid to Members of Council with the salary paid to non-union employees closest to Members’ current salaries. The benefit of this approach is that the challenges with recruiting a CCRC will be eliminated. At the same time, this approach would be similar to the approach of past committees in that Council salaries would be increased by an amount no more than the Council approved annual increases paid to non-union staff.

Current Members of Council salaries are depicted in Table 1. Current salaries for Non-union employees with similar salaries to Council are depicted in Table 2. If Council selects Option 2, the Mayor annual salary will, beginning November 15, 2022, be equal to the salary paid to a non-union employee in Salary Grade 8, Level 4. The Regional and Local Councillors and Ward Councillors would receive a salary equal to the annual salary paid to a non-unionized employee in Grade 5, Level 2.

**Table 1 - Mayor and Council Salary 2021**

	<b>Mayor</b>	<b>Regional and Local Councillor</b>	<b>Ward Councillor</b>
<b>City Salary</b>	\$134,842	\$ 80,904	\$ 80,904
<b>Regional Salary</b> (2020 full year amount)	\$ 60,405	\$ 60,405	Not applicable
<b>Total Salary</b>	\$195,247	\$141,309	\$80,904
Note: Regional Council Salary Rates are adjusted by the Region.			

**Table 2 –Non-union employees salary schedule effective January 1, 2021**

<b>Salary Grade</b>	<b>Level</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4</b>	<b>Level 5</b>
5	\$80,048	\$82,441	\$84,991	\$88,071	\$91,266
8	\$124,905	\$129,625	\$134,523	\$139,607	\$144,881

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### **Option 2 - Recommendation**

- a) That the remuneration paid to Members of Council beginning with the 2022 to 2026 Term of Council (starting November 15, 2022) be as follows:
  - (i) The annual remuneration (salary) paid to the Mayor be equal to the annual salary paid, including any Council approved economic adjustments, to non-union Administrative Employee Group employees in Level 4 of Salary Grade 8;
  - (ii) The annual remuneration (salary) paid to Regional and Local Councillors and Ward Councillors be equal to the annual salary, including any Council approved economic adjustments, paid to non-union Administrative Employee Group employees in Level 2 of Salary Grade 5;
  - (iii) The benefits available to Members of Council during the 2018 to 2022 Term of Council be maintained.
- b) That the City Clerk be authorized to place any necessary by-laws on a future Council agenda to give effect to this resolution.

### **Option 3 – Direct staff to attempt to establish the CCRC**

Council could direct staff to attempt to establish a CCRC and direct that the committee report back no later than the last regular meeting in July 2022. If successful, the committee's recommendation will not be available for Council consideration until well into the 2022 Municipal Elections. For the reasons discussed above, staff are not confident that a further attempt at recruiting a committee will be successful. If not successful, staff will have to report back and seek Council's direction on implementing Options 1 or 2 for the 2022 to 2026 Term of Council.

### **Option 3 - Recommendation**

- a) That staff be directed to continue to recruit a 2022 to 2026 Council Compensation Committee.
- b) That, in the event that staff are able to recruit a five (5) citizen member committee by October 31, 2021, the 2022 to 2026 Council Compensation Committee be directed to report back to Council no later than the last regular Council meeting in July 2022.
- c) That, in the event that staff are unable to recruit five (5) citizen member committee by October 31, 2021, staff be directed to report back on alternatives options to set the remuneration and benefits payable to member of Council during the 2022 to 2026 Term of Council.

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### **Financial/Staffing/Other Implications:**

Similar to other City staff annual salary adjustments, any changes to the remuneration and benefits received by Members of Council in the 2022 to 2026 Term of Council will be included in the applicable annual operating budgets.

### **Relationship to Council’s Strategic Priorities 2020-2022:**

Approving Mayor and Council compensation for the 2022 to 2026 Term of Council aligns with the priority of “Fiscal Responsibility” as it provides certainty on a necessary expenditure, while minimizing the resources required to determine Council compensation for the next Council Term.

### **Climate Change Considerations:**

Climate change considerations are not applicable to this staff report.

### **Conclusion:**

Due to challenges with recruiting a 2022 to 2026 Council Compensation Review Committee, Council direction is required.

### **Attachments:**

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

- Attachment A – 2022 to 2026 Council Compensation Review Committee Terms of Reference
- Attachment B – 2018 to 2022 Council Compensation Review Committee Final Report

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### Report Approval Details

Document Title:	SRCFS.21.039 - Council Compensation Review Committee (2022 to 2026 Term of Council).docx
Attachments:	- SRCFS.21.039 - Attachment A - CCRC Terms of Reference 2021.pdf - SRCFS.21.039 - Attachment B - CCRC - Final Report February 26 2018.pdf
Final Approval Date:	Aug 5, 2021

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

**Sherry Adams - Jul 27, 2021 - 4:22 PM**

**Darlene Joslin on behalf of MaryAnne Dempster - Aug 5, 2021 - 2:55 PM**