



REPORT

TO: Mayor Bonnette and Members of Council

FROM: Jonna Ison, Director of Human Resources

DATE: March 28, 2022

REPORT NO.: CORPSERV-2022-0011

SUBJECT: Council Compensation Review

RECOMMENDATION:

THAT Report No. CORPSERV-2022-0011, dated March 28, 2022, regarding the 2022 Council Compensation Review be received;

AND FURTHER THAT no changes be made to the compensation for the position of Mayor through this review;

AND FURTHER THAT no changes be made to the compensation for the position of Councillor through this review;

AND FURTHER THAT the Mayor's car allowance remain at its current rate of \$820 monthly (\$9,840 annually).

KEY POINTS:

The following are key points for consideration with respect to this report:

- In 2013, Council endorsed the following:
 - A set of guiding principles for establishing Council remuneration;
 - The Town's practice of adjusting Council members' compensation annually, on the same schedule and at the same percentage rate as approved for management/non-union staff; and
 - A market comparison review of Council compensation to be undertaken in the last year of each Council term.

- The purpose of the Council Compensation review is to ensure that Mayor and Council are compensated appropriately and fairly while demonstrating fiscal responsibility and alignment with the Strategic Plan for the Town of Halton Hills.
- The last Council Compensation review was completed in 2018.
- The 2022 Council Compensation review was conducted by ML Consulting, a firm experienced in municipal compensation reviews and job evaluation.
- The review of Council members' compensation against the external market indicates that salaries paid to the Mayor and Councillor positions are within the targeted 50th percentile;
- A comparison of the Mayor's current car allowance to the comparator group indicates that the current car allowance is appropriate.
- The recommendation is to maintain the current compensation and car allowance levels for the mayor position.

BACKGROUND AND DISCUSSION:

The Town of Halton Hills is committed to paying fair and competitive salaries to its elected officials in recognition of the valuable service they provide to the community and the complexity and importance of the issues they manage. Fair and competitive salaries also assist to attract and retain a diverse pool of citizens to public service. With regard to the above, the Town has a policy to conduct a review of Council compensation every four years, based on an analysis of the external market with any recommendations to take effect at the start of the subsequent term of Council.

As outlined in report CORPSERV-2018-0010, a comprehensive compensation review for elected officials at the Town of Halton Hills was last conducted in 2018 by external consultant Marianne Love, of ML Consulting.

The goal of the Council compensation review is to align salaries to the standards approved by Council (50th percentile) and to ensure other compensation practices are comparable to market.

The base pay for Town of Halton Hills' elected officials at January 1, 2022 are as follows: Mayor - \$105,093 and Councillor - \$41,645. There is a planned increase to \$105,881 for the Mayor and \$41,957 for Councillors on July 1, 2022. For the purposes of this review, a blended rate for each position was used. The Mayor receives a car allowance of \$820 per month (\$9,840 annually).

The 2022 Council compensation review was led by Jonna Ison, Director of Human Resources. The Town retained the consulting services of ML Consulting to conduct a comparative analysis of base pay compensation for elected officials and car allowance for the Mayor position. ML Consulting was chosen based on the firm's experience in performing market reviews and developing compensation systems in the municipal sector for management, union and elected officials.

The analysis undertaken by ML Consulting was based on an established set of municipal comparators in accordance with the Town's guiding principles for Council remuneration. Elements that were considered included base pay, target percentile and rationale, and car allowance.

COMMENTS:

A competitive base salary is a critical component in the attraction and retention of a diverse, representative and committed pool of candidates from Halton Hills who wish to seek election to Council. The guiding principles below support this strategy.

The Guiding Principles:

Through a Citizen Review Committee in 2001, a set of guiding principles for determining Council remuneration was developed and further refined in 2013 for adoption by Council. The principles base the compensation for the Mayor and Members of Council on market data, so that elected officials of the Town may be compensated fairly while aligning compensation decisions to the long-standing compensation philosophy already used by the Town of Halton Hills. The guiding principles for Council remuneration supports a compensation plan that:

- Recognizes that the role of the Mayor and Council is demanding and important and as such, should be compensated appropriately and fairly;
- Recognizes the major demands of the Mayor as being full-time and involving a heavy schedule;
- Is sensitive to local market conditions and to compensation levels for these roles in comparable municipalities in the Greater Toronto and surrounding area and also be seen as fair by taxpayers;
- Is aligned to the 50th percentile of the comparator group;
- Acknowledges that a portion of the time and effort of the role of Mayor and Councillor is considered a service to the community to improve the well-being of the citizens of Halton Hills;
- Demonstrates fiscal responsibility and alignment with the Strategic Plan for the Town of Halton Hills.

The Comparator Group:

To ensure effective benchmarking, the Comparator group was selected having regard to relevant scope/criteria as shown in Appendix A, and using the following criteria:

- Historic comparators and taking into consideration comparators used for the management/non-union market review in 2021;
- Geographic location (i.e., GTA and surrounding area);
- Similar service alignment / “like” services;
- Single or lower tier municipalities with populations of comparable size (greater than 50,000) to Halton Hills’ population at time of survey.

For the Council Compensation Review, the comparator group consisted of the following municipalities: Ajax, Aurora, Caledon, Clarington, Guelph, Milton, Newmarket, and Waterloo.

As per Appendix A, the Town is relatively placed within the comparator group based on size indicators (i.e., operating expenditures, population/households, number of employees, size of Council).

Findings:

The guiding principles were applied when reviewing the salary results and developing recommendations:

- 7 of the 8 identified comparator organizations reported having a full-time Mayor and part-time Councillors;
- The market median (i.e., 50th percentile) is a reasonable pay target having regard to the Town’s relative placement within the comparator group;
- The current base pay for Halton Hills elected official positions is generally reflective of the 50th percentile target. The Mayor position is 0.1% below (comparator pay ranges from \$94,753 - \$124,101); the 50th percentile target is \$106,003. Councillor positions are 1.1% above (comparator pay ranges from \$37,363 - \$58,448); the 50th percentile target is \$41,645.
- 7 out of 8 comparators provide a form of car or travel allowance ranging from \$5,400 to \$14,831 for the Mayor. One comparator provides the Mayor with a leased vehicle.

Conclusions:

From the findings of the compensation review, the following conclusions can be made:

- Base pay for the Mayor and Councillor positions is generally competitive to the defined comparator group (i.e., within a range of +/- 1.1%)

- Travel allowance for the Mayor is comparable to allowances provided by comparator municipalities.
- No changes are recommended to Base Pay or Travel Allowance for the Mayor and Councillor positions.

STRATEGIC PLAN ALIGNMENT:

This report aligns to the Town's Strategic plan recognizing the value to provide responsive, effective municipal government and strong leadership in the effective and efficient delivery of municipal services.

This report also identifies fiscal and corporate management as one of the Town's Strategic priorities.

RELATIONSHIP TO CLIMATE CHANGE:

This report is administrative in nature and does not directly impact or address climate change and the Town's Net Zero target.

PUBLIC ENGAGEMENT:

Public Engagement was not needed as this report is administrative in nature.

INTERNAL CONSULTATION:

The Chief Administrative Officer has been consulted in the preparation of this report.

FINANCIAL IMPLICATIONS:

There are no financial implications to the recommendations made in this report and therefore no impact to the 2023 operating budget.

Reviewed and approved by,

Laura Lancaster, Commissioner of Corporate Services

Chris Mills, Chief Administrative Officer