

Appendix 2

Municipality of West Grey 2020 Compensation Review for Elected Officials

Public Summary Report
Council Meeting November 9, 2020
ML Consulting

Background and Objective

- Compensation for West Grey Elected Official positions was last reviewed in 2014.
- Historically, compensation reviews were conducted through a Committee of four members of the public.
- This review, conducted by an independent consultant, includes data gathered from West Grey's municipal comparators and the findings from the AMCTO Study on Municipal Council Compensation.
- The primary objective of the 2020 Council Remuneration Study is to conduct a review of base pay for the Mayor, Deputy Mayor and Councillor positions; some ancillary elements of remuneration were also reviewed.
- The Consultant reviewed municipal comparator information collected by Staff and prepared a market summary of base pay using percentile targets.
- The recommendations in this report are prepared for Council's consideration.

2020 West Grey Council Remuneration

- The Municipality of West Grey Council is made up of a Mayor, Deputy Mayor, and five Councillors, all elected at large. The Mayor and Deputy Mayor also represent West Grey at Grey County council meetings.
- 2020 Base Pay for West Grey Elected Officials is as follows:
 - Mayor: \$18,830; Deputy Mayor: \$10,814; Councillor: \$9,012
- Meeting Per Diems are as follows:
 - Full Day Rate--\$163.35 (more than 4 hours)
 - Half Day Rate--\$90.13 (4 hours or less)
- Meeting Per Diems are provided for Regular Council Meetings (full day rate), Special Council Meetings and Committee Meetings. There are 32 Committees, which includes Boards, Working Groups and Sub-committees. In 2019, West Grey elected officials were reimbursed for upwards of 24 Council Meetings, and 83 Committee meetings.
- The Mayor can attend 3 conferences per year; the Deputy Mayor and Councillors can attend 2 conferences per year; and a \$75/day meal allowance is provided
- Travel is reimbursed at \$0.455/km (County km rate)
- Laptops/Ipads are provided. Cell phones are provided to the Mayor and Deputy Mayor (County issued); and a \$50 monthly technology allowance is provided to Councillors (West Grey)
- Base rates and Per Diem rates are adjusted annually (COLA)
- Health benefits, OMERS, RRSPs are not provided

Market Competitiveness—Methodology and Source Data

- A custom survey was prepared using 13 comparator municipal organizations.
- The market comparator group was selected having regard to the comparator group that was be used in the 2020 Staff Compensation study; Chatsworth and Hanover were added.
- The comparator group was selected having regard to relevant scope/criteria:
 - Historic comparators
 - Geographic location (i.e., within the County and surrounding area)
 - Similar service alignment/”like” services
 - Size (i.e., population/operating budget)
- West Grey at approximately the median of the comparator group having regard to size population and ranks low when comparing operating expenditures; ranking 6th in population and 10th in operating expenditures)
- The AMCTO publication, Municipal Council Compensation in Ontario (March 2018) was referenced to identify best practice and common trends relative to this Review; referred to as the “AMCTO Report”

2020 Municipal Comparator Group

Municipality	County/District/Region	Population*	Operating Expenses**
Chatsworth	Grey	6,630	\$7,878,261
The Blue Mountains	Grey	7,035	\$30,258,217
Hanover	Grey	7,688	\$16,814,885
Minto	Wellington	8,671	\$13,595,059
Brockton	Bruce	9,461	\$17,466,105
Grey Highlands	Grey	9,804	\$16,986,117
Meaford	Grey	10,991	\$19,955,144
Wellington North	Wellington	11,914	\$16,058,422
Guelph Eramosa	Wellington	12,854	\$12,833,154
North Perth	Perth	13,130	\$24,459,446
Clearview	Simcoe	14,151	\$21,902,972
Springwater	Simcoe	19,059	\$23,366,750
Collingwood	Simcoe	21,793	\$54,319,785
West Grey	Grey	12,518	\$16,508,154
		*2016 Statistics Canada data	**2018 FIR data

2020 Market Observations

- Base Pay and Per Diems comprise the most significant elements of overall compensation for West Grey Elected Officials. There is no uniform method of compensation in the comparator group (i.e., some municipalities pay Per Diems for Council/Committee meetings and Conferences/Workshops; and others pay Per Diems for Conference/Workshops only).
- Base pay compensation for the positions of Mayor, Deputy Mayor and Councillor positions was reviewed and compared to the defined comparators using 2020 base pay rates.
- Base pay comparative statistics were prepared using a variety of percentile targets. The “% Difference” shown beside each percentile value is the amount that the current base pay amount for West Grey Elected Official positions is above or below the market target percentile value.
- The 55th percentile was identified as the recommended pay target when reviewing Base Pay.

West Grey									
2020 Council Market Summary									
		2020 MARKET SUMMARY - ANNUAL JOB RATES							
		No. of Obs.	Market Median Annual	% Diff.	Market P55 Annual	% Diff.	Market P60 Annual	% Diff.	
Job Title	2020 Annual Base Pay								
Mayor	\$ 18,829.91	13	\$32,200	+71.0%	\$33,627	+78.6%	\$35,018	+86.0%	
Deputy Mayor	\$ 10,814.13	11	\$21,866	+102.2%	\$24,033	+122.2%	\$26,200	+142.3%	
Councillor	\$ 9,011.77	13	\$17,323	+92.2%	\$19,607	+117.6%	\$21,544	+139.1%	
Average % Diff.				+88.5%		+106.1%		+122.4%	

Market Observations

- Market comparison for West Grey Elected Official positions based on the 55th percentile of all comparator matches is as follows:
 - The Mayor is 78.6% below the 55th percentile; annual base pay ranges from \$15,049 (Chatsworth) to \$45,168 (Collingwood)
 - The Deputy Mayor is 122.2% below the 55th percentile; annual base pay ranges from \$10,617 (Chatsworth) to \$33,115 (Springwater)
 - Councillors are 117.6% below the 55th percentile; annual base pay ranges from \$8,429 (Grey Highlands) to \$29,120 (Blue Mountains)
- Given that West Grey also provides Per Diems for Council/Committee meetings, a base pay comparison does not produce a complete assessment.
- Four comparators report that Per Diems are paid in addition to base pay for Meetings:
 - Collingwood—Council Meetings and Committee Meetings
 - Grey Highlands—Council, Board and Committee Meetings
 - Chatsworth—Regular Council Meeting (including Committee of the Whole)
 - Minto—Council Meetings and Committee Meetings

- Removing 4 comparators that provide both per diems and base pay from the Market Summary, and comparing 2019 base pay plus per diems for West Grey Elected Official to the Base Pay comparator group, shows that the West Grey Elected Official positions are closer to the market targets.
- The Councillor position is generally competitive; however, the Deputy Mayor and Mayor positions are still sitting below the identified pay targets (by 24% and 14.9% respectively).
- Given the modified comparator group, the p55 target is reasonable.

* Average Councillor
2019 Actual Pay

Market Observations

- The AMCTO Report shows the average Mayor and Councillor salaries by population size and region (2018), base pay rates for Deputy Mayor were not reported.
- West Grey Mayor and Councillor base pay rates are low to the regional average; however, when considering base pay plus per diems, they are comparable to the regional average.

Region	Population: 10,000 to 24,999	
	Mayor	Councillor
Central Ontario	\$33,344	\$19,670

- The p55 target rates in the defined comparator group are generally aligned with the AMCTO observations.

Ancillary Elements of Compensation

- Five comparators report that base pay was increased in 2019 to account for the loss of the 1/3 tax free treatment
- Six comparators report that per diems are paid for attendance at Conference and Workshops, ranging from \$140 to \$183 per day and \$80 to \$111 per half day.
- Eight comparators report a daily meal allowance provided for conference/workshops, ranging from \$70 to \$100/day; and \$75 is the predominant daily rate
- Eight comparators report km reimbursement rates ranging from \$0.455/km to CRA rates (\$0.58/first 5,000 km and \$0.52 thereafter); two comparators report an annual car allowance for the Mayor (\$500 and \$800) and km reimbursement for travel outside the municipality.
- One comparator provides Group Health, Dental, Vision and Travel insurance; one comparator provides Group Life Insurance (70 and under); and one comparator provides an annual allowance for health related expenses (\$1,250)
- Nine comparators report that Laptops/Ipads are provided to their elected officials.
- Three comparators provide Councillors with cell phones; three comparators report an allowance provided for cell phones and line costs
- Eight comparators report that elected official remuneration is adjusted annually by CPI or an amount equal to the staff salary adjustment

Ancillary Elements of Compensation

- The AMCTO Report shows the following non-salary benefits provided by municipalities for Elected Officials based on population size.
- West Grey is comparable to other municipalities when considering the ancillary compensation elements identified:

Benefit	Cell phone reimbursement/ allowance	Group Benefits Package	Pension Contribution	Car Allowance
Population: 10,000 to 24,999	49%	8%	21%	17%

Conclusions

- The 2020 base pay remuneration for Elected Officials at West Grey is low to the identified comparator group for the Mayor, Deputy Mayor and Councillor positions; however, when considering 2019 base pay plus per diem payments, remuneration for the Elected Official positions is closer to the market p55th target rates with greater deviations for the Mayor and Deputy Mayor positions.
- The 55th percentile target is a reasonable pay target for base pay having regard to the modified comparator group.
- Payment of per diems in addition to base pay for Regular Council Meetings, Committee of the Whole and Committee Meetings is not a prevailing practice among the comparator group.
- All elements of ancillary remuneration are comparable to the municipal comparator group, including payment of per diems for attendance at workshops and conferences.
- It is common practice to increase the annual base pay for elected official positions annually by the amount used to adjust the Employee salary grid. This allows for a year over year increase to align with cost of living increases; also supported by the survey results (AMCTO report).
- It is best practice to review compensation once during the term of Council using a survey of comparator municipalities.

Recommendations

2020 Base Pay Adjustments:

- It is recommended that Council give consideration to implementing the following base pay adjustments in 2021, adjusted by 1.5% for COLA (cost of living adjustment) for 2021, and discontinuing the practice of paying per diems for Regular Council Meetings, Special Council Meetings, Committee of the Whole Meetings and Committee Meetings:
 - Mayor: \$35,458
 - Deputy Mayor: \$26,738
 - Councillor: \$21,958

Annual Base Pay Adjustments:

- It is recommended that Council continue the practice of adjusting base pay for the Elected Official positions annually by using the % adjustment provided for the Employee Salary Grid.

Review Period:

- It is recommended that an external review be conducted once every four years using a Consultant and comparator data; the next review being during the next term of Council (2022-2026)