



Subject: Council Remuneration Review Process

Department: Corporate Services

Division: Clerks

Report #: CPS-2025-004

Meeting Date: 2025-01-27

Recommendations

That report CPS-2025-004, Council Remuneration Review Process, be received; and

That Council approve amending the Council Remuneration Review Policy to utilize a consultant to perform the analysis and market evaluation every 4 years.

Overview

On February 9, 2009, Council passed a Council Remuneration Review Process Policy through By-law 16-2009. This policy requires an appointed resident committee to review and recommend changes to Council members' compensation for the next term. This report suggests rescinding the existing policy with a new one that uses the same method as staff compensation reviews, involving a consultant review to occur every 4 years in the year prior to an election year, for implementation at the commencement of the new term.

Background

The Council Remuneration Review Process Policy was passed by Council through By-law 16-2009 on February 9, 2009. In 2013, a Council Remuneration Review Committee presented several recommendations to Council on November 25, 2013 through a report to Council dated November 12, 2013. The following resolution was passed by Council:

That the report from the Council Remuneration Review Committee, dated November 12, 2013, with respect to the 2013 Compensation Review, be received;

And that the Council salary continues to be subject to annual cost of living adjustments equivalent to the percentage increase which the Town staff receives as compensation;

And that members of Council be provided with a monthly allowance in the amount of \$180 to cover their operational expenses (\$100 for home office expenses; \$50 internet costs; \$30 cell phone costs), an increase of \$130. This allowance in whole or in part can be refused by the members of Council;

And that in the event a member of Council accepts cell phone reimbursement, the Town will have the right to publish their cell phone number on the Town website and any Town publications that include Council contact information;

And that members of Council be provided with coverage under the Workers Safety Insurance Board (WSIB);

And that members of Council be provided with a Town-purchased laptop at the beginning of their tenure;

And that in the event a member of Council prefers a laptop of his/her choice, the member will be responsible for providing support and maintenance for the laptop. The Town will reimburse the cost of one laptop per term to the value of the Town-purchased laptop. The laptop must be purchased within the first twelve months of the Council term to which the member is elected;

And that at the end of the term of Council, members be permitted to retain the laptops provided by the Town. Hard drives must be destroyed for confidentiality purposes and replaced with new hard drives containing only members' personal data. This work to be completed by the Town's Information Technology staff;

And that no change be made to the expense policy for attending events;

And that members of Council be issued a T2200 form (Declaration of Conditions of Employment) to enable them to claim expenses that are allowed in accordance with the Income Tax Act;

And that council investigate the role of the Mayor becoming fulltime, and retain an outside consultant to review the increase in salary.

On September 11, 2017, Council received report CL-2017-18 with options for Council remuneration Review for the 2018-2022 term. The options included proceeding with establishing a Council Remuneration review Committee, referring the issue to the General By-law Committee or confirming that the November 25, 2013 resolution would continue to apply for the 2018-2022 term of Council. The following resolution was passed on September 22, 2017:

That CL-2017-18, Council Remuneration Review, dated September 22, 2017, be received;

And that Council confirm that the resolutions approved by Council on November 25, 2013 continue to apply for the 2018-2022 term of Council;

And that Council direct staff to report to Council by the end of 2019 to seek direction for the review of Council remuneration for the 2022-2026 term of Council.

On October 18, 2021, Council received report CPS-2021-067 recommending options for Council to consider either to continue applying the resolutions approved by Council on November 25, 2013, or to strike a Council Remuneration Review Committee in accordance with the Policy. The following resolution was passed:

That report CPS-2021-067, be received;

And that an annual cost of living adjustment equivalent to the percentage increase which Town staff receives as compensation continue to apply to the remuneration for Council;

And that the existing allocation for expenses continue to be applied as per the resolutions approved by Council on November 25, 2013;

And that Council approves adjusting the remuneration payable to members of Council that compensates for the removal of the 1/3 tax free provision effective the next term of Council.

The Policy requires Council to appoint a committee of Orangeville residents and taxpayers to review the current package and make recommendation prior to the commencement of the nomination period for a municipal election, utilizing a market survey of similar municipalities offering similar services. There has been no Review Committee established since 2013.

Analysis/Current Situation

The 2013 Committee made several recommendations that have been re-confirmed in future years with no further market checks or reviews completed. It would be prudent for an in-depth, up to date review to be completed in advance of the 2026 term.

The Town of Orangeville utilizes a consultant to review and recommend updates to the Town's employee compensation. This process assesses the competitive pay market and current pay practice in an evolving pay market utilizing a method of comparative analysis of municipal comparator organizations. The consultant retained by the Town is utilized by many Ontario municipalities which enables the Town to bring forward recommendations for updates to the employee compensation that is impartial, fair and competitive.

It is recommended that a similar process of securing a professional, impartial consultant be retained to complete a market analysis and make recommendations for not only the consideration of a full-time Mayor for the Town of Orangeville as per the 2013

recommendation, but for the compensation for Council as a whole. This allows the process to be fair and impartial being separate from staff, public or Council involvement.

The proposed work may include the following components:

- Review of the current compensation structure including salary, benefits and expenses
- Assessment of comparator municipalities
- Annual increases

Corporate Implications

The Town currently has a consultant on retainer with an annual budget. It is anticipated that the Council compensation review will cost between \$4,000 - \$6,000.

Council compensation reviews are done in the year of, or immediately preceding, the municipal election. This means that the decisions regarding compensation are decided on by the outgoing Council for implementation for the incoming Council. The results of the compensation review will be reported to Council in a future report for consideration.

Conclusion

Staff recommend that Council amend the Council Remuneration Review Policy to allow for an impartial consultant review and analysis of total Council compensation inclusive of benefits, pensions, salary, expenses etc. The results of the review will be presented to Council for consideration in the 2026 budget for implementation at the commencement of the 2026 term.

Strategic Alignment

Strategic Plan

Strategic Goal: Future-Readiness

Objective: DUE DILIGENCE – Confirm applicable governance and policy regimes

Notice Provisions

The Public Notice Policy requires that notice is to be placed on the Town's website and published in a newspaper at least once, prior to the meeting at which a Council remuneration by-law is to be considered, or prior to the holding of a public meeting

regarding a council remuneration by-law (if applicable). The item will also be included on an agenda published prior to the meeting. This notice will occur prior to the meeting in which the consultant's recommendations are brought forward for Council consideration.

Attachment: Council Remuneration Review Policy 2009

Respectfully submitted,

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Reviewed & Prepared by:

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