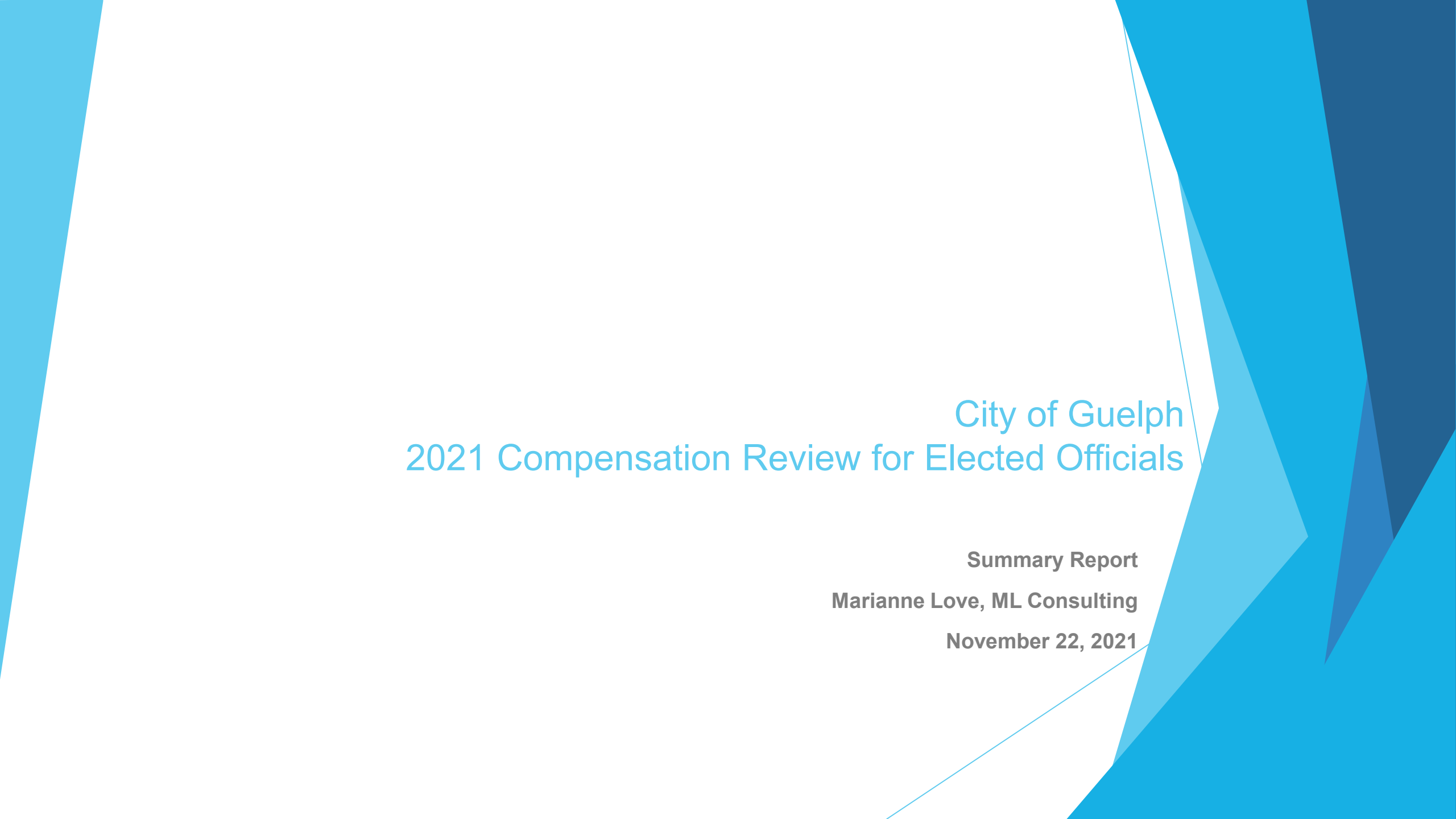




City of Guelph 2021 Compensation Review for Elected Officials

Summary Report
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Background and Objective

- Compensation for Elected Officials at the City of Guelph was reviewed in 2018 whereby Council approved compensation rates and pay practice for the Mayor and Councillor positions:
 - The Mayor's salary was adjusted to \$152,000 to maintain the 2018 net pay of \$102,767 in 2019 (offsetting the Federal tax change effective January 1, 2019), placing it at the 77th percentile of the comparable municipal group
 - The Councillor's salary was adjusted to \$40,000, placing it at the 56.5th percentile and within the Council-approved policy of the 55th percentile pay target.
 - Benefits are aligned with benefits provided to the Non-union Municipal Employee group
 - Annual compensation adjustments are equal to the Consumer Price Index (CPI) or Non-union Municipal Employee group increase, whichever is lower
 - A formal market review for Council positions every 4 years during the last terms of Council with continued engagement of a Council Remuneration Advisory Committee
- Councillor pay rates have been adjusted annually in accordance with the approved pay practice; the Mayor has declined pay increases and his salary has remained at the December 1, 2018 level.
- A Council Remuneration and Support Advisory Committee was convened in November 2021 to review the matter of compensation having regard to market data and comparable municipalities in terms of scope, size and nature of work, review data and proposals submitted by Human Resources staff, and review the matter of staff support as it relates to workload and workflow. The Committee mandate is outlined in Terms of Reference.
- The Consultant has been retained to review the comparator pay data collected by HR staff, prepare a market analysis and provide observations relating to pay practice.

Executive Summary

- ▶ The 2021 base pay Compensation for the Mayor position at Guelph is above the municipal comparators identified; and base pay for Councillor is slightly below.
- ▶ The comparator group is representative based on select criteria and the 55th percentile target is a reasonable pay target for base pay.
- ▶ The provision of group benefits aligns with pay practice for Elected Officials in other comparator municipalities of similar size.
- ▶ Periodic review of Council Compensation (i.e., once during a term of Council) and the method of establishing annual adjustments for Mayor and Councillor base pay aligns with best practice in the sector.

Market Competitiveness—Methodology and Source Data

- ▶ The market comparator group that was approved in 2021 for the Non-union Municipal Employee group was used to determine competitive compensation for Guelph's Elected Officials.
- ▶ A custom survey was prepared using 14 comparator municipal organizations.
 - ▶ Region of Waterloo is unable to provide pay data at this time
- ▶ The comparator group was selected having regard to relevant scope/criteria:
 - ▶ Historic comparators
 - ▶ Geographic location
 - ▶ Similar service alignment/"like" services
 - ▶ Size (i.e., population/operating budget)
- ▶ The comparator group is shown in **Appendix A.**
- ▶ Guelph is relatively placed within the comparator group having regard to size indicators (i.e., population, size of Council)
- ▶ The Association of Clerks and Treasurers of Ontario (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"

Market Observations

- ▶ Compensation for the positions of Mayor and Councillor positions was reviewed and compared to the defined pay market using 2021 base pay rates.
- ▶ Base pay comparative statistics are shown in **Appendix B** using a variety of percentile targets.
 - ▶ The “% Difference” shown beside each percentile value is the amount that the current base pay amount for the Mayor and Councillor positions is above or below the market target percentile value.
 - ▶ The 50th percentile is the market median
 - ▶ The 55th percentile is the Council approved pay target
- ▶ Market comparison for Guelph Elected Official positions based on the 55th percentile is as follows:
 - ▶ The Mayor base pay salary is 15.8% above the 55th percentile, 12.5% above the 55th percentile when considering the Mayor’s actual pay; annual base pay ranges from \$105,259 (Waterloo) to \$193,668 (Hamilton)
 - ▶ Councillors are 16.1% below the 55th percentile; annual base pay ranges from \$32,846 (Chatham-Kent) to \$110,967 (Burlington)
- ▶ 9 of 10 comparator organizations report that base pay rates for Mayor and Councillor positions were adjusted in 2021

Market Observations, cont'd

- ▶ The amount of base pay that a municipality offers Elected Officials is closely related to its size and geographic placement in the province.
- ▶ The 2018 AMCTO Report shows that:
 - ▶ the base pay for Guelph's Councillor position is generally comparable with the base pay for Council Members in Central Ontario for municipalities with populations between 100,000 and 249,999: Council Member: \$43,438 (2017 survey results prior to adjustment for 2021 comparison)
 - ▶ the base pay for the Guelph's Mayor position is above the base pay for Mayor within the same geographic region/population scope: Mayor/Head of Council: \$107,290 (2017 survey results prior to adjustment for 2021 comparison)
 - ▶ The majority of municipalities surveyed in the report provide group health benefits: 74% of municipalities (100,000 to 249,999 population)

Market Observations, cont'd

- ▶ Market trends and prevailing practice:
 - ▶ Base pay rates for Elected Officials are typically adjusted annually based on the annual adjustment provided to the Employee Salary/Wage Grid.
 - ▶ As a best practice, compensation is reviewed once during the term of Council; often in the third year or in the last year of the 4-year term and typically by surveying neighbouring municipalities.
 - ▶ Municipalities use a range of factors to help them set compensation levels for Elected Officials. The most common practice is to survey the compensation paid by neighbouring municipalities to ensure that Elected Official compensation is competitive considering the fiscal capacity of the municipality. (*AMCTO Report, March 2018*)

Conclusions

- ▶ The 55th percentile target (P55) is a reasonable pay target for base pay having regard to the comparator group.
- ▶ The comparator group is representative based on select criteria and is aligned with the comparator group for the Non-union Municipal Employee Group.
- ▶ The 2021 base pay Compensation for Mayor is above the 55th percentile and does not require adjustment.
 - ▶ Relative comparison is impacted by the 2018 Council decision that ensured base pay rates for Mayor were not impacted by removal of the Federal Tax exemption; relative comparison has been mitigated by the incumbent Mayor declining the cost of living adjustments (2019-2021)
- ▶ The 2021 base pay compensation for Councillor is below the 55th percentile and requires adjustment to reflect the defined pay target.
- ▶ It is common practice to increase the annual base pay for elected official positions annually by the amount used to adjust the Management/Non-union salary grid. This allows for a year over year increase to align with cost of living increases; also supported by the custom survey results.
- ▶ It is best practice to review compensation once during the term of Council using a survey of comparator municipalities.

Recommendations

- ▶ The following recommendations are provided for the Committee's consideration as the Committee reviews the information provided by HR Staff and prepares summary recommendations for Council's consideration:
 1. Adjust the base salary rates for Councillor to reflect the 55th percentile of the identified comparators, and adjust further in 2022 and 2023 by the amount used to adjust the Non-union Municipal Employee grid or CPI whichever is lower; for implementation January 1, 2023.
 2. No change to the Mayor base pay rate, other than the annual economic adjustments provided to the Councillor position (paragraph 1).
 3. Continue the provision of Group Health Benefits.
 4. Continue the practice of providing annual adjustments by using the % adjustment provided for the Non-union Municipal Employee Salary Grid or CPI, whichever is lower.
 5. Continue the practice of reviewing Council Compensation in the third year of Council; reconstitute a Council Remuneration Advisory Committee, with any changes being effective the first year of the new Council term.
 6. Consider revising the comparator group when the comparators for the Non-union Municipal Employee Group change.

Market Comparators

Council Remuneration (2021)								
			Annual Base Pay		Council Composition		Annual Adjustment	
Municipality	Tier	Population**	Mayor	Councillors	Status	#	2021	2022
City of Barrie	Single	141,434	\$ 124,815	\$ 40,524	Part Time	10	1.0%	
City of Greater Sudbury	Lower	161,534	\$ 176,781	\$ 44,569	Part Time	12		
City of Hamilton	Lower	536,917	\$ 193,668	\$ 102,107	Full Time	15	1.6%	1.6%
Regional Municipality of Halton	Upper	548,435	\$ 192,825	\$ 52,515	Part Time	23	0.8%	2.1%
City of Kingston	Single	123,798	\$ 132,438	\$ 46,575	Part Time	12	0%	TBD - 4.75?
Wellington County	Upper	90,932	\$ 132,573	\$ 42,326	Part Time	16	1.9%	TBD
City of Kitchener	Lower	233,222	\$ 105,811	\$ 54,437	Part Time	10		
City of Mississauga	Lower	721,599	\$ 144,295	\$ 91,700	Full Time	11	1.75%	TBD
City of Burlington	Lower	183,314	\$ 186,468	\$ 110,967	Full Time	6	0.8%	TBD
City of Oakville	Lower	193,832	\$ 134,953	\$ 53,964	Part Time	7	1.8%	TBD
City of Brantford	Lower	97,496	\$ 116,418	\$ 34,854	Part Time	10	1.75%	1.75%
City of Waterloo	Lower	535,154	\$ 105,259	\$ 39,873	Part Time	7	0.7%	4.5%
City of Cambridge	Lower	129,920	\$ 106,133	\$ 43,084	Full Time	8	1.5%	TBD
City of Chatham-Kent	Lower	102,042	\$ 112,908	\$ 32,846	Part Time	17		
Region of Waterloo	Upper							
City of Guelph*	Single	131,794	\$ 157,884	\$ 41,412	Part Time	12	0%	TBD
* Mayor has declined rate increases beyond \$152,500								
**Data collected 2016 Statistics Canada								

2021 Council Market Survey Results—Base Pay

City of Guelph 2021 Market Summary									
		2021 MARKET SUMMARY - ANNUAL JOB RATE (_) = above market +_ = below market							
		No. of Obs.	Market Median Annual	% Diff.	Market P55 Annual	% Diff.	Market P60 Annual	% Diff.	
Mayor	\$ 157,884	14	\$ 132,506	(16.1%)	\$ 132,930	(15.8%)	\$ 139,157	(11.9%)	
Councillors	\$ 41,412	14	\$ 45,572	+10.0%	\$ 48,060	+16.1%	\$ 52,515	+26.8%	

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		No. of Obs.	Market Median Annual	% Diff.	Market P55 Annual	% Diff.	Market P60 Annual	% Diff.	
Mayor	\$ 152,000	14	\$ 132,506	(12.8%)	\$ 132,930	(12.5%)	\$ 139,157	(8.4%)	
Councillors	\$ 41,412	14	\$ 45,572	+10.0%	\$ 48,060	+16.1%	\$ 52,515	+26.8%	