

Council Memo



To	City Council
Service Area	Corporate Services
Date	Monday, March 28, 2022
Subject	Clarity on Council Remuneration

During the discussion of the Council Remuneration and Support Advisory Committee's (the Committee) report at the March 7, 2022 Committee of the Whole, questions were raised by Council covering three main areas; the fulsomeness of the data set used and the recommended salary amounts stemming from them, details specific to the Ontario Municipal Employees Retirement System (OMERS), and finally the commonality of the use of a citizen-appointed remuneration advisory committee to determine Council remuneration within our comparator group. This memo provides greater clarity with respect to each of these questions.

The Data Set

Staff were able to replicate the base data numbers in the consultant's report for the compensation level provided by each municipality to the role of Mayor. In addition, staff were able to ascertain the additional compensation level provided to the role of Mayor for the duties associated with being a member of the upper-tier Council beyond that of the lower-tier base. Using the base data from the municipality to which they were elected, staff were able to replicate the 55th percentile at \$132,780. When the additional income derived from sitting on the upper-tier Council was included for those that had not reported earlier, staff calculated the 55th percentile to be \$155,458. This data strongly supports the maintenance of the City of Guelph's Mayoral job rate at \$152,500. Therefore, in keeping with Council's discussion and the intent of the amendment made at the Committee of the Whole meeting, staff would suggest the recommendation as adopted at Committee of the Whole, concerning the job rate for the role of Mayor, be considered by Council as follows:

1. That the salary for the position of Mayor for the Council term commencing November 15, 2022, be set at \$152,500 (job rate) annually.

Regarding Councillor compensation as described in the Committee's alternative recommendations, staff were able to replicate the base data numbers in the consultant's report. Staff's calculation of the 55th percentile results in recommending an annual salary of \$47,446 rather than \$51,327 as previously presented. Staff believe that the consultant's report, used by the Committee, inadvertently calculated the 60th percentile and not the 55th. This was found to be limited to the Councillor compensation calculation and not replicated elsewhere.

Staff were also able to replicate the additional income earned from sitting on the Council of the upper-tier by Councillors within the comparator group. There are

three distinct methods used within the comparator group for upper-tier Council compensation.

- The first method has all lower-tier Councillors sitting on the upper-tier Council.
- The second method is one in which Councillors at the upper-tier Council are selected for that specific role and do not receive a dual compensation structure.
- The third method has half of the Councillors elected solely as City Council representation and the other half for a dual role (for both the lower and upper-tier municipality).

With respect to first method of all lower-tier Councillors sitting on the upper-tier Council, the combined salary is appropriate for inclusion, as that is the compensation level for a Councillor at the municipality. For the second method, where Councillors at Regional Council elected for the specific role without dual compensation, no further compensation should be included. The final method, of half the elected Councillors acting solely as Councillors of the lower-tier municipality and the other half for a dual role, presents a challenge. Staff has re-assessed the impact of these variables on the data set and the calculation of the 55th percentile remained unchanged at \$47,446. Therefore, staff would suggest the following recommendation be considered by Council concerning the job rate for the role of Councillor:

2. That the salary for the position of City Councillor for the Council term commencing November 15, 2022, be set at \$47,446 (job rate) annually.

OMERS

OMERS classifies all Council members as continuous full-time employees, regardless of their status. The options available to Council when determining if they wish to participate in the OMERS plan is to enroll either the Mayor only or all members of Council. Council is not able to only enroll Councillors into OMERS. Once the group is enrolled, future Councils cannot reverse the decision.

To enroll into OMERS, Council is required to pass the appropriate by-law, and staff are to complete the registration documentation. At the effective date of Council enrolment, existing Council members can individually choose to enroll in the Plan. A Council member who does not enroll on the effective date can choose to at a future date. After the effective date of Council enrolment, any new or future Council members must enroll in the Plan. However, Council members (like regular municipal employees) cannot enroll later than November 30th in the year of their 71st birthday.

In 2022, the contribution level required by OMERS is nine per cent, up to \$64,900 of earned income and then raises to 14.6 per cent on additional income earned in the year.

To assist Council's consideration regarding OMERS participation, staff reviewed the participation rate amongst its comparator group. Of the fifteen comparator municipalities that responded, the majority participate in OMERS in some fashion: 10 municipalities have both Mayor and Councillors participating; three municipalities have mayoral participation only, and two Councils do not participate in the OMERS plan.

Should Council wish to participate in OMERS, staff recommend the following motion be considered by Council:

3. That staff be directed to work with OMERS and bring forward the requisite by-law to Council and to apply to the OMERS pension plan to include all City Council members upon the passing of such a by-law.

Council's Use of a Citizen-Appointed Remuneration Advisory Committee

Some members of Council indicated a desire to understand the use of a Citizen-Appointed Remuneration Advisory Committee amongst the comparator group. Through discussions with municipalities in the approved comparator group, it was determined that 36 per cent (5 of 14) use such an external Committee and that 57 per cent (8 of 14) use internal staff to provide recommendations to Council based on the municipality's internal pay policy and thorough comparator analysis. There was one municipality in the comparator group that relies on the use of an external consultant to provide the requisite information directly to Council for the same purpose.

Staff believe that, provided there is no unusual consideration required such as the impact of changing tax laws or the determination of status, this work can be completed by staff. Staff have the expertise to obtain the information, interpret it and report back to Council based on the application of policy. As the City of Guelph has a strict policy of maintaining pay at the 55th percentile of the approved comparator group, the associated exercise becomes straightforward. The recent discussion by Council through the current process has cleared up any ambiguities that previously existed with this policy, and staff is clear on its interpretation. Specifically, staff will, if directed to assume this task, ensure that the comparator group salary used for the calculations includes any income earned from being a member of the upper-tier municipality's Council, provided that is an expectation of the role.

Should Council wish to have staff perform this function, staff recommend the following motion be considered in place of the recommendation arising from the Committee of the Whole concerning the same:

4. That the current policy of conducting a formal market review for Council every four years, during the last year of the Council's term of office, be conducted by City staff.

Should any member of Council have any questions that arise from this clarifying memo, they are welcomed and encouraged to contact the General Manager of Human Resources or the Deputy Chief Administrative Officer, Corporate Services in advance of the Council meeting.

This memo was approved by:

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