



## Report to Council

Department: Office of the CAO  
Division: Human Resources  
Date: June 17, 2024  
Prepared by: Brandi Sieben, Manager, Human Resources  
Report Number: Human Resources-2024-02  
Subject: Council Remuneration  
Number of Pages: 13

### Recommendation(s)

**That** Human Resources Report 2024-03 entitled Council Remuneration prepared by Brandi Sieben dated June 17, 2024, be received;

**That** Council approve the target pay policy, developed as part of the salary administration review, which is provided by Gallagher & Associates, at the P60 level for all comparators, be adopted as the model for salary compensation for all elected official roles in accordance with May 15, 2023 Council resolution;

**That** the revised target pay policy be implemented with an effective date of January 1, 2024;

**That** council approve the post-budget approval impact of \$22,275.00 to be funded from the **Town's Salary Stabilization Reserve**;

**That elected official roles are incorporated in the Town's Non-Union Salary Administration** policy, which would ensure that a Council compensation review is conducted every four (4) years and would align annual increases granted to non-union employees; and;

**That** Council provide direction to Administration to investigate and provide a report on options for extended health benefits and retirement savings options for members of Council.

## **Purpose**

The purpose of this report is to update Council on the review of remuneration for Council at the Town of Essex to ensure the compensation offered remains competitive with neighbouring municipalities and to establish a consistent process for ongoing salary administration for Council. Also, amounts outside of the Annual Approved Budget require Council Approval.

## **Background and Discussion**

In May 2023, the Town conducted its own market survey for all Council roles and as such, Council compensation was adjusted to be at the 60th percentile of our neighbouring municipalities.

Prior to 2023, the last review of Council compensation was in the fall of 2018 for the 2019 calendar year. The review resulted in a 1.5% increase outside of the adjustment made to offset the impact of the elimination of the one-third tax exemption. This meant that up to a third of Council members compensation that was tax exempt is no longer. The exemption was meant to help Council members with expenses relating to their duties. The Federal government announced this change in 2017 and it was effective January 1, 2019.

The Town does not have a policy regarding Council remuneration and there is no evidence that the Town previously conducted a third-party market review on Council remuneration. Market adjustment to Council remuneration has been inconsistent and to date there has not been consideration for additional benefits such as extended health and retirement savings options.

### Extended Health Benefits and Retirement Savings

**As stated in the Consultant's Report, the Town does not currently offer extended health** benefits or participation in retirement savings to Council. Members of Council would not be eligible to participate in the current group benefit package for Town of Essex employees, as Council does not meet the eligibility definitions set out in the benefit contract. In preliminary discussions with our benefit broker, the Town was advised that all members of Council would need to participate in order to create a new benefit class under our current contract.

Per the Ontario Municipal Employees Retirement System Act, 2006, the Town is an OMERS employer, under the Act, members of Council may be enrolled in OMERS pension plan if they are 70 years of age or younger.

## **Financial Impact**

Based on the recommendations contained herein, the 2024 costs of adopting the proposed Council remuneration at the P60 level for all comparators as well incorporating Council in the **Town's Non-Union Salary Administration** policy, and aligning annual increases granted to non-union employees would be a total cost of \$22,275.00. The 2024 Budget had no adjustment included for the impact of this review on salary expense, and therefore the additional costs would be funded from the Salary Stabilization Reserve. The Salary Stabilization Reserve was established in 2023 to assist in funding these impacts in a more stabilized approach. Annually, wage savings from staff vacancies and any savings from benefit plans or expenses are placed in this reserve. For 2024, this reserve has sufficient reserve balance to fund the entirety of this impact.

Any financial impact for extended health benefits or OMERS pension enrollment would be provided to Council through the report on options for extended health benefits and/or OMERS pension, if directed by Council.

## **Consultations**

Doug Sweet, Chief Administrative Officer

Kate Giurissevich, Director, Corporate Services

## Link to Strategic Priorities

- Embrace asset management best practices to build, maintain, and continuously improve our municipally owned infrastructure.
- Leverage our Town's competitive** advantages to promote jobs and economic investment.
- Take care of our natural environment and strengthen the sense of belonging to everyone **who makes Essex "home"**.
- Deliver friendly customer service in an efficient, effective, and transparent manner while providing an exceptional working environment for our employees.
- Build corporate-level and community-level climate resilience through community engagement and partnership and corporate objectives.

## Report Approval Details

Document Title:	Council Remuneration - Human Resources-2024-02.docx
Attachments:	- Council Remuneration Review 2023.pdf
Final Approval Date:	Jun 11, 2024

This report and all of its attachments were approved and signed as outlined below:



**Kate Giurissevich, Director, Corporate Services - Jun 10, 2024 - 5:13 PM**



**Doug Sweet, Chief Administrative Officer - Jun 11, 2024 - 8:07 AM**