



City of
Peterborough

To: **Members General Committee**

From: **Richard Freymond**
Commissioner of Corporate and Legislative Services

Meeting Date: **December 1, 2020**

Subject: **Report CLSFS20-071**
Councillor Compensation Review

Purpose

A report to provide Council with information on current Councillor compensation, and to recommend compensation for the 2022-2026 term.

Recommendations

That Council approve the recommendations outlined in Report CLSFS20-071 dated December 1, 2020, of the Commissioner of Corporate and Legislative Services, as follows:

- a) That the Councillor Compensation Review Report CLSFS20-071, be received for information;
- b) That the current level of Council compensation indexing be maintained annually with increases for the 2022-2026 term of Council the lesser of either the CPI or staff increases; and
- c) That as of December 2022, Councillor Compensation include certain Employee Benefits as outlined in Appendix A of Report CLSFS20-071.

Budget and Financial Implications

There are no budget or financial implications to receiving the report.

The 2021 Operating Budget, remuneration for the Mayor is estimated to be \$86,384 and for each Councillor \$33,839.

The financial implications for the 2022-2026 term of Council will be budgeted in those respective years. In addition to Base Remuneration, the annual estimated cost for Benefits coverage is \$1,800 for the Council member only (single) and \$4,000 per Councillor if electing family coverage. Depending on the mix of single vs. family coverage, the annual incremental cost will range from \$19,800 - \$44,000.

Background

Council at its meeting of March 6, 2017 approved the following recommendations related to Report CPCLK17-003, Council Compensation Committee Results:

- a) **That the presentation by the Chair of the Councillor Compensation Committee and Report CPCLK17-003 be received for information;**
- b) **That the current level of Council compensation be maintained with annual increases the lesser of either the CPI or staff increases; and**
- c) **That Council compensation automatically be reviewed the second year of each term with any recommendations approved by Council to take effect the following term.**

This report is in response to the above resolution c) and is intended to provide information to Council regarding the current levels of compensation at comparator municipalities.

In past years, staff have compiled a comparison of Council compensation at similar municipalities. This information includes details on per diems (if applicable), overall compensation and benefits (if applicable). This information formed the basis of the discussions undertaken by the committee and recommendations were then brought forward to Council for consideration.

In 2016, a Committee comprised of citizen appointees was formed to assist in the review of Council compensation. For this review, staff have compiled an updated review of Council compensation from those same comparator municipalities used in 2016. The results are attached as Appendix “B” to the report.

Chart 1 provides further analysis.

Chart 1 Survey Analysis

Measurement	Population	Median Income	Mayor	Percentage of Median Income	Mayor Compensation per 1,000 People	Councillor	Percentage of Median Income	Councillor Compensation per 1,000 People
C1	C2	C3	C4	C5	C6	C7	C8	C9
Average (Excl Ptbo)	95,052	\$75,983	98,987	136.65%	\$1,124	\$36,252	48.98%	\$409
Median (Excl Ptbo)	91,892	\$74,571	\$103,013	135.34%	\$1,008	\$37,301	46.07%	\$365
Peterborough	78,698	\$60,413	\$83,455	138.14%	\$1,060	\$32,691	54.11%	\$415
Sample Size (Incl Ptbo)	9	9	9	9	9	9	9	9
Ptbo Rank within Sample	6	8	7	5	4	7	3	4

In analyzing the data from other municipalities, staff reviewed base salaries, benefits offered, and would offer the following observations:

- Of the 9 municipalities surveyed, compensation for the positions of Mayor and Councillor are both ranked 7 out of 9.
- When factors such as median income and compensation per 1,000 people are considered, both the positions of Mayor and Councillor rank closer to the middle of the surveyed municipalities.
- Most of the municipalities surveyed do not use a system of per diems.
- 7 out of 8 municipalities provide benefits for both Mayor and Councillor.

The last two previous compensation review Reports from 2012 (CP12-005) and 2017 (CPCLK17-003) recommended that the levels of Council Compensation remain unchanged with annual increases tied to the Consumer Price Index and/or staff increases. Once again, staff recommend the level of compensation for Council be maintained annually with increases for the 2022-2026 term of Council the lesser of either the CPI or staff increases.

Benefits

Elected officials at the City of Peterborough do not receive benefits as part of their compensation with the exception that the Mayor who can participate in the OMERS Pension Plan (based upon Council By-law 07-074).

In 2016, the Councillor Compensation Committee did not recommend the provision of Group Benefits, although the Committee did acknowledge that the majority of the comparator municipalities do provide benefits to Council members and that six of the questionnaires submitted by City Councillors of the day, indicated that the provision of benefits should be considered. The Committee rationale in not recommending the extension of benefits to Council was the fact that the household income in Peterborough was quite low and that many individuals in this community also do not receive benefits. It

was also noted that the position of Councillor is considered a part-time position and part-time City employees do not receive any paid benefits.

Since 2016, the situation has changed. Certain permanent unionized part-time staff are now eligible to purchase limited Group Benefits. Also, based on a survey done by the Association of Municipal Clerks and Treasurers of Ontario that was published in March 2018, municipalities with populations between 50,000 – 99,999 provide a range of additional benefits to members of Council including:

- Cell phone reimbursement / allowance – 56%
- Newsletters/printing – 25%
- Group Benefits package - 44%
- Pension Contribution - 44%
- Car Allowance – 44%

In addition to the Mayor's car allowance and eligibility to participate in OMERS, the City provides all members of Council with cell phones, computers and other IT devices including printers, as well as an allowance for home internet services of \$600 / year.

The complete survey may be found at the following link.

<http://www.amcto.com/getattachment/a9e4b504-21c2-4378-bfab-ef4e1eb001c2/.aspx>

The estimated annual cost is approximately \$1,800 for the Council member only (single) and \$4,000 per Councillor if electing family coverage. Depending on the mix of single vs. family coverage, the annual cost will range from \$19,800 - \$44,000.

Summary

Staff have completed a review of levels of compensation at comparator municipalities as in previous years. Staff recommend that members of Council be provided certain benefits for the upcoming 2022-2026 term of Peterborough City Council and that they be compensated using the existing methodology of indexing annual compensation rates.

Submitted by,

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Commissioner of Corporate and Legislative Services

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Attachments:

Appendix A – Group Benefits

Appendix B – Councillor Compensation Review

Appendix A
Group Benefits

Name	Summary Details	Effective Date	Single	Family	Who Pays
Supplemental Health	Semi-private hospitalization, travel, vision care, paramedical services.	Effective first of the month following appointment	\$8,316	\$22,440	City
Health – Prescription Drugs	Prescription drugs	Effective first of the month following appointment	\$2,375	\$6,072	City
Dental	Core plan only.	Effective first of the month following three months of service	\$7,920	\$15,576	City
Group Life Insurance and AD&D	Mayor – eligible for 2X salary. Councillor - \$20,000.	Effective first of month following date of appointment	\$1,548	N/A	City
Employee Assistance Program	Program offers counselling on a confidential basis to employees and dependents who wish to resolve personal, social or health problems.		N/A	N/A	City

2020 Review of Councillor Compensation

Municipality	Population	Median Income	Mayor	Councillor	Notes
Ajax	121,780	\$96,949	\$91,177 salary	\$37,355 (travel allowance is \$8,425)	Mayors total pay with salary, benefits and travel allowance of \$13,675, is \$121,402
Barrie	141,434	\$77,904	\$118,040	\$26,237-\$43,326	Mayor car allowance \$6,000. Councillor car allowance \$1,400-\$3,300. Expenses for Mayor \$13,571. Council expenses \$19-\$9,232. Additional payments for other boards (i.e. PSB are not included)
Clarington	92,013	\$95,753	\$93,117; \$11,973 travel allowance	\$37,247; \$7,942 travel allowance	This municipality did not opt to make themselves whole when the 1/3 tax free exemption ended. Councillors are compensated for expenses. Benefits – health and dental until age 65. Member of OMERS.
City of Kingston	123,363	\$71,237	\$116,856	\$40,000	Mayor - \$82,990, \$5,000 car, \$13,624 benefits (\$101,614) Councillors - \$27,500-\$29,000, car \$250-\$3,000, ~\$7,000 benefits (\$34,750-\$39,000)
City of Kawartha Lakes	73,214	\$62,423	\$112,908	\$48,531 PT	They receive reimbursement for expenses but not group benefits.
City of Peterborough	78,698	\$60,413	\$83,455 PT	\$32,691 PT	Mayor - \$104,345 which includes \$5,112 car allowance, \$600 internet, and payment for Boards Councillors - \$600 internet allowance
Pickering	91,771	\$99,701	\$113,629,	\$47,346,	Annual increase at same rate as employees. Extended Health Plan as non-union employees which includes prescription and dental, vision. Health care spending account of \$5,000/yr with no carry over. Also, life insurance. RRSP with a max of 13% of salary/yr. They also have severance for people who have completed a term (1 month salary per yr of uninterrupted service up to max of 36) Plus, a budget of \$3,000/yr for conference expenses, \$750 office supply; \$5,000 meals and ads; \$10,000 for constituent communications
Sault Saint Marie (2017)	73,368	\$61,814	\$73,656;	\$23,670	Mayor - car allowance of \$4,826 and expenses Councillors - \$2,690 car allowance
Timmins (2018)	43,469	\$42,080	\$72,510	\$21,089	For Mayor - \$19,651 expenses Councillors - expenses ranged from \$4,000-\$6,000