

Town of Whitby

Staff Report

whitby.ca/CouncilCalendar



Report Title: Council Remuneration Market Review

Report to: Committee of the Whole

Date of meeting: June 10, 2024

Report Number: CAO-10-24

Department(s) Responsible:

Office of the Chief Administrative Officer

Submitted by:

Jacqueline Long, Head of Organizational Effectiveness

**Acknowledged by M. Gaskell,
Chief Administrative Officer**

For additional information, contact:

Jacqueline Long, Head of OE,
longj@whitby.ca

Lindsey Carroll, Manager, Compensation and Employee Services,
carrolll@whitby.ca

1. Recommendation:

1. That Council receive report CAO-10-24, Council Remuneration Market Review for information.

2. Highlights:

- Council, via resolution #49-24, directed staff to undertake a comprehensive review of procedural matters, including remuneration for Members of Council.
- In the spring of 2024, Staff conducted a market review of Council remuneration.
- This review included rates, stipends, allowances, and any other remuneration amongst the comparator groups.
- Two comparator groups were considered: Durham Lakeshore municipalities, as required by By-law 6500-11, and the comparator group of 14 lower tier municipalities that is used for the Town's Compensation Market Review of staff remuneration (see confidential report CAO-09-24 Compensation Market Review for more details on the Town's comparator group and recommendations moving forward).

3. Background:

- Annual wage rates for Members of Council are determined via By-Law 6500-11 (as amended by By-Law 6576-12).
- By-law 6500-11 states that “ in each successive year the Mayor and Members of Council shall be paid a remuneration equal to the average of the remuneration paid to the Mayors and Members of Council, respectively, in the other lakeshore urban communities in Durham Region and that effective January 1, 2011 amendments to the rates will be processed once the rates are confirmed for the current year, but no later than December 1st of each year”.
- Via a memorandum to Matt Gaskell, CAO, and subsequently forwarded to all Members of Council, dated February 29, 2024, the rates for 2023 were set at \$124,251 per year for the Mayor and \$45,785 per year for Councillors.
- The average of the lakeshore urban municipalities for the role of Mayor is \$117,217. However, due to the requirement outlined in paragraph 4 of By-law 6500-11 that in the event the statutory provisions regarding provincial income tax be amended, repealed or replaced with successor legislation that has the effect of prohibiting an income tax free portion, adjustments shall be made to the remuneration so as to maintain the same net remuneration payable to the Mayor and Members of Council, thereby setting the rate for Mayor at \$124,251 in 2018. This rate has held steady since that time.
- In late 2023, the Municipality of Clarington adjusted the rates for Members of Council, retroactive to the start of 2023. This has the effect of requiring a revision to the rates calculated for Town of Whitby Members of Council and results in increases to the rate, effective January 1, 2023, for Mayor and Councillors.

4. Discussion:**Comparator Groups***Durham Region Lakeshore Municipalities:*

By-law 6500-11 directs staff to determine the rates for Members of Council based upon the average for the lakeshore urban municipalities in Durham Region. This comparator group is comprised of City of Pickering, Town of Ajax, City of Oshawa, and Municipality of Clarington.

The **2023** annual rates for this comparator group are:

	City of Pickering	Town of Ajax	City of Oshawa	Municipality of Clarington*
Mayor	\$120,703	\$118,523	\$132,281	\$97,359
Councillor	\$50,293	\$45,257	\$48,544	\$38,944

*as reported prior to adjustments made in late 2023

Based upon this review, the **2023** rate for Mayor was set at \$124,251, and for Councillors at \$45,785. Following the establishment of the 2023 rate for Town of Whitby Members of Council, the Municipality of Clarington adjusted rates for their Members of Council (Mayor to \$129,812, and Council to \$51,925). Consequently, a revised rate for 2023 for Town of Whitby Members of Council is required to reflect the change in the average across the lakeshore urban municipalities. **Effective January 1, 2023, the annual rate of Mayor will be \$125,330, and the annual rate of Councillors will be \$49,005. Retroactive payments will be included in the pay of June 20, 2024.**

Other forms of remuneration available to Members of Council amongst this comparator group include:

	Town of Whitby	City of Pickering	Town of Ajax	City of Oshawa	Municipality of Clarington
Stipend for Committee roles	No stipend paid	No stipend paid	No stipend paid	Chair - \$5,530.72 per year Vice-Chair- \$2,765.48 per year	No stipend paid
Travel Allowance (Car)/year	Mayor- \$16,459	Mayor- \$16,200	Mayor- \$14,897	Mayor- \$5,200	Mayor- \$14,280
	Deputy Mayor- \$11,582				Deputy Mayor- \$13,836
	Council- \$8,032	Council- \$12,000	Council- \$9,438	Council- \$5,200	Council- \$9,480
Meeting per Diem	None	Paid a per diem rate of 1% of annual salary for a total of ten (10) days.	None	None	None

The Town's Comparator Group of Municipalities:

Staff were also directed to include a review of Council compensation across the Town's comparator group. As background, in 2008, the Town's comparator group for compensation analysis was set and prescribed at twelve (12) municipalities. To better represent the market and reflect the impacts of growth, the Town added to the prescribed list of comparator municipalities. Currently, we have fifteen (15) comparators. These include the Durham Region lakeshore municipalities (Clarington is new in 2018), Region of Durham (new in 2018), City of Barrie, City of Cambridge, City of Guelph, City of Markham, Town of Milton (new in 2018), Town of Newmarket, City of Niagara Falls, Town of Richmond Hill, City of St. Catharines (new in 2018), and City of Waterloo. The comparator group established in 2018, less the Region of Durham, was solicited for data/information for this review.

Of the ten (10) non-Durham region municipalities in the comparator group, only six (6), that is 60%, responded. To increase confidence in the analysis, the ideal response rate would be closer to seven (7) of ten (10) responses. Due to the low response rate, it is recommended that a more fulsome dataset be obtained before making any decisions.

With that caveat in mind, the following outlines the **2024** annual rates for the six (6) responding non-Durham Region municipalities:

	<i>City of St. Catherines</i>	<i>City of Richmond Hill</i>	<i>City of Guelph</i>	<i>City of Markham</i>	<i>City of Barrie</i>	<i>Town of Newmarket</i>
<i>Mayor</i>	\$129,605	\$142,256	\$160,138	\$151,064	\$134,575	\$118,256
<i>Councillor</i>	\$27,765	\$85,352	\$49,822	\$93,882	\$43,408	\$54,567

Amongst this additional group of six (6) comparators, the average rate for Mayor is \$139,316, and the average rate for Councillor is \$59,133.

When considering the whole comparator group, that is the Durham Region Lakeshore municipalities (as outlined in By-law 6500-11) and the additional six (6) comparators, the average rate for Mayor is \$130,476, and the average rate for Councillor is \$53,783.

Other forms of remuneration available to Members of Council amongst the non-Durham Region comparator group include:

	<i>City of St. Catherines</i>	<i>City of Richmond Hill</i>	<i>City of Guelph</i>	<i>City of Markham</i>	<i>City of Barrie</i>	<i>Town of Newmarket</i>
<i>Stipend for Committee roles</i>	No stipend paid	No stipend paid	No stipend paid	No stipend paid	No response	No stipend paid
<i>Travel Allowance (Car)/year</i>	Mayor- \$15,660	No response	Mayor- \$5,100	Mayor- \$12,255	Mayor- \$6,600	Mayor - \$13,827
	Deputy Mayor- \$11,582					
	Council- paid mileage	Council- \$7,200	Council- None	Council- paid mileage	Council- \$2,400	Council - \$7,166

5. Financial Considerations:

The retroactive adjustment has a total financial impact of \$53,678 in 2024 and will be offset by other favourable operating variances across the Town.

6. Communication and Public Engagement:

Not applicable.

7. Input from Departments/Sources:

Compensation data was solicited from the Town's defined comparator group, less the Region of Durham. These include the Durham Region lakeshore municipalities, City of Barrie, City of Cambridge, City of Guelph, City of Markham, Town of Milton, Town of Newmarket, City of Niagara Falls, Town of Richmond Hill, City of St. Catherines, and City of Waterloo.

8. Strategic Priorities:

Not applicable.

9. Attachments:

Not applicable