

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. The shapes are primarily triangles and polygons, creating a dynamic, modern aesthetic. The text is positioned in the center-right area of the page.

# Town of Cobourg 2022 Compensation Review for Elected Officials

**Summary Report**  
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**June 9, 2022**

# Background

- Compensation for Elected Officials at the Town of Cobourg was reviewed in 2015 (By-law 028-2015); base pay was adjusted in 2018 (By-law 037-2018).
  - Base Pay Rates will be adjusted effective July 1, 2022 using an economic adjustment of 6.91% (based on the CPI increase, April 2021/April 2022)—Mayor: \$45,412; Deputy Mayor: \$31,082; Councillor: \$25,963
    - Compensates for duly called meetings of Council, Advisory Committee Meetings, related business functions, Ad Hoc Committee meetings, official functions
    - Base pay salary is adjusted at the direction of Council
  - Per diem rates for Members of Council:
    - \$250 per diem for attendance at labour/conciliation meeting, conferences, seminars and workshops and other meetings where a member of Council is required to attend representing a service function for the Corporation, or at out-of-town delegations authorized by Council; up to a maximum of \$1,000 per year
    - \$250 reduction per meeting for absence from Regular Council and Committee of the Whole meeting, in excess of 5 meetings per year
  - Lap-top and cell phone are provided; internet/data charges are covered for business use
  - Kilometrage is paid at the Town's rate: \$0.59 per kilometre
  - Registration, travel and accommodation expenses are reimbursed for conferences, training and seminars
  - Participation in Group Benefits Plan; no participation in OMERS or RRSP
- The Consultant was retained to review comparator pay data, prepare a market analysis for Elected Official positions and provide observations relating to pay practice; data was collected by Town staff. The comparative analysis has been prepared using the July 1, 2022 base pay rates.

# Executive Summary

- Elected Official base pay rates, effective July 1, 2022:
  - 2022 Base Pay Rates—Mayor: \$45,412; Deputy Mayor: \$31,082; Councillor: \$25,963
- The 2022 base pay compensation for the Deputy Mayor and Councillor positions are competitive to the 50<sup>th</sup>, 55<sup>th</sup> and 60<sup>th</sup> percentile targets (i.e., paid above target percentiles); the Mayor is competitive to the 50<sup>th</sup> and 55<sup>th</sup> percentile targets, and paid slightly below the 60<sup>th</sup> percentile.
- The comparator group is representative and includes municipalities used in the 2021 Organizational Review and the in 2020 Service Delivery Review. The 50<sup>th</sup> percentile pay target identified for the employee group is a reasonable pay target for Elected Official base pay.
- Other elements of compensation (i.e., per diem payments, technology/line charges, travel and meal expense) are generally competitive.
- Recommend adjusting base pay for Elected Officials annually by the amount used to adjust the Management/non-union Salary Grid.
- Recommend periodic review of Council Compensation (i.e., once during a term of Council).

# Market Competitiveness—Methodology and Source Data

- ▶ A custom survey was prepared using 11 comparator municipal organizations.
- ▶ 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 includes:
  - ▶ Brighton, Port Hope, Collingwood, Wasaga Beach, Midland, Owen Sound, Kenora, Huntsville, Tillsonburg, Strathroy-Caradoc, Essex
  - ▶ Tecumseh did not provide data
  - ▶ This represents the comparators used for the 2020 Service Delivery Review and some of the comparators used for the 2021 Organizational Review; Kenora has been a historic comparator.
  - ▶ Number of members of Council range from 7 to 9
  - ▶ One comparator does not have a Deputy Mayor

# 2022 Municipal Comparators (11)

Municipality	Population*	County/District	# of Council members
Brighton	12,108	Northumberland	7
Collingwood	24,811	Simcoe	9
Essex	21,216	Essex	8
Huntsville	21,147	Muskoka	9
Kenora	14,967	Kenora	7
Midland	17,817	Simcoe	9
Owen Sound	21,612	Grey	9
Port Hope	17,773	Northumberland	7
Strathroy-Caradoc	23,871	Middlesex	9
<i>Tecumseh</i>	<i>23,300</i>	<i>Essex</i>	<i>7</i>
Tillsonburg	18,615	Oxford	9
Wasaga Beach	25,554	Simcoe	7
<b>Cobourg</b>	<b>20,519</b>	<b>Northumberland</b>	<b>7</b>

\*Data Source: 2021 Census

Tecumseh compensation data not provided

# Market Observations

- ▶ Compensation for the positions of Mayor, Deputy Mayor and Councillor positions was reviewed and compared to the defined pay market using 2022 base pay rates (effective July 1, 2022).
- ▶ Base pay comparative statistics were prepared using a variety of percentile targets. The percentile target is a measure of how the positions are ranked in the comparator group, highest to lowest
  - ▶ the 50<sup>th</sup> percentile target is the \$ Rate where 50% of the wage rates in the comparator organizations are below this amount and 50% are above; the 50<sup>th</sup> percentile is the market median rate
  - ▶ the 60<sup>th</sup> percentile target is the \$ Rate where 60% of the wage rates in the comparator organizations are below this amount and 40% are above.
- ▶ The “% Difference” shown beside each percentile value is the amount that the current base pay amount for the Mayor, Deputy Mayor and Councillor positions is above or below the market target percentile value.

# Market Observations

Cobourg 2022 Council Remuneration Review --Base Pay								
Job Title	2022 Base Pay Annual	2022 MARKET SUMMARY - ANNUAL BASE PAY (_) = above market    +_ = below market						
		No. of Obs	Market P50		Market		Market	
			Median Annual	% Diff.	P55 Annual	% Diff.	P60 Annual	% Diff.
Mayor	\$45,412	11	\$45,379	(0.1%)	\$45,899	+1.1%	\$47,713	+5.1%
Deputy Mayor	\$31,082	10	\$27,889	(10.3%)	\$28,931	(6.9%)	\$29,543	(5.0%)
Councillor	\$25,963	11	\$20,893	(19.5%)	\$21,997	(15.3%)	\$23,132	(10.9%)

# Market Observations

- ▶ Market comparison for Cobourg Elected Official positions based on the 50<sup>th</sup> percentile is as follows:
  - The Mayor is .1% above the 50<sup>th</sup> percentile, 1.1% below the 55<sup>th</sup> percentile and 5.1% below the 60<sup>th</sup> percentile; 2022 base pay rates range from \$32,593 (Brighton) to \$57,426 (Owen Sound)
  - The Deputy Mayor is 10.3% above the 50<sup>th</sup> percentile, 6.9% above the 55<sup>th</sup> percentile and 5% above the 60<sup>th</sup> percentile; 2022 base pay rates range from \$23,864 (Essex) to \$33,387 (Collingwood)
  - Councillors are 19.5% above the 50<sup>th</sup> percentile, 15.3% above the 55<sup>th</sup> percentile, and 10.9% above the 60<sup>th</sup> percentile; 2022 base pay rates range from \$17,047 (Brighton) to \$25,259 (Owen Sound)
- ▶ One comparator reports a meeting per diem for Council and Committee meetings in addition to base pay: \$60 per meeting for first 3 hours and \$120 per meeting if over 3 hours)
- ▶ One comparator reports per diem rates for Special Meetings of Council (\$70 half day/\$140 full day)
- ▶ 8 of 11 comparators report that the base pay rates for Elected Official positions are adjusted annually by CPI or a cost of living adjustment provided to the employee salary grid; 1 comparator provides adjustments every two years.



# Market Observations

- ▶ Technology:
  - ▶ All comparators provide a lap top, ipad, or a technology allowance.
  - ▶ 4 comparators provide cellphones for all members of Council; 2 comparators provides a cell phone for Mayor only; 6 comparators reimburse or contribute towards monthly line charges
- ▶ Extended Health Benefits:
  - ▶ 9 of 11 comparators offer Group Health/Dental benefits; and 2 of these comparators offer benefits on a co-pay basis.
- ▶ Travel Reimbursement:
  - ▶ Kilometrage reimbursement ranges from \$.54/km to \$.61/km (CRA rate).
  - ▶ Two comparators provide an annual travel allowance (\$900 and \$1,200) in addition to kilometrage reimbursement for travel to conferences.

# Market Observations

- ▶ Conference/Training:
  - 11 of 12 comparators report reimbursement for conference expenses
  - One comparator provides a \$350/day allowance inclusive of meal and travel expenses
  - 2 comparators provide a daily meal allowance for meals while attending conferences (\$80 and \$50)
  - 4 comparators provide per diem rates of conference/seminar attendance in addition to travel expenses; daily per diem rates provided range from \$120/day to \$200/day
- ▶ None of the comparators offer OMERS participation; none provide RRSPs.

# Market Observations

- ▶ Reporting of Expenses
  - ▶ The format and level of detail of reporting in the Statement of Council Compensation varies among the municipalities, with some municipalities showing a greater level of detail
- ▶ Frequency of Meetings:
  - ▶ Generally, Council meets twice a month and could vary by jurisdiction
  - ▶ All comparators hold Special, Public and Other meetings; the number varies between the municipalities and fluctuates within the municipality based on the mandates and issues arising
  - ▶ An Elected Official's workload also fluctuates based on local issues centric to their community and participation on various committees
  - ▶ All comparators report that Elected Officials attend and participate in professional development, workshops and conferences

# Market Observations

- ▶ 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
    - ▶ This allows for a year over year increase to align with cost-of-living increases and mitigates large adjustments identified in cyclical market reviews.
  - ▶ 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. (*Association of Municipal Clerks and Treasurers Ontario, AMCTO Report, March 2018*)

# Conclusion

- ▶ The 50<sup>th</sup> percentile (P50) is a reasonable pay target for base pay having regard to the comparator group and the prevailing pay practice.
- ▶ The comparator group is representative based on select criteria and is aligned with the comparator groups used for the 2020 Service Delivery Review and reflective of the comparators used for the 2021 Organizational Review.
- ▶ Implementing adjustments to base pay, effective July 1, 2022, to reflect CPI increases will result in base pay rates that are above the 50<sup>th</sup> percentile and align favourably when compared to base pay rates for the comparator group. No additional adjustments are recommended at this time.
- ▶ Other elements of compensation are generally in line with the comparator group.
- ▶ In future years, Council may wish to consider adopting the practice of providing an annual economic adjustment to Council base pay that aligns with the annual adjustment provided to the Management/non-union Salary Grid. This will avoid relatively larger adjustments to base pay on cyclical reviews and is in keeping with the comparator group and best practice in the sector.
- ▶ Council may also wish to consider formalizing a compensation review cycle. Many municipalities will review Elected Official Compensation in the last year of Council with any adjustments taking effect at the beginning of the next term of Council.

# Recommendations

- ▶ The following recommendations are provided for Council's consideration:
  1. No change to base pay or to ancillary compensation such as per diem rates, technology, meal and travel expenses.
  2. Formalize a practice of providing annual adjustments by using the % adjustment provided for the Management/non-union Employee Salary Grid.
  3. Adopt the practice of reviewing Council Compensation in the last year of Council, with any changes being effective the first year of the new Council term.